

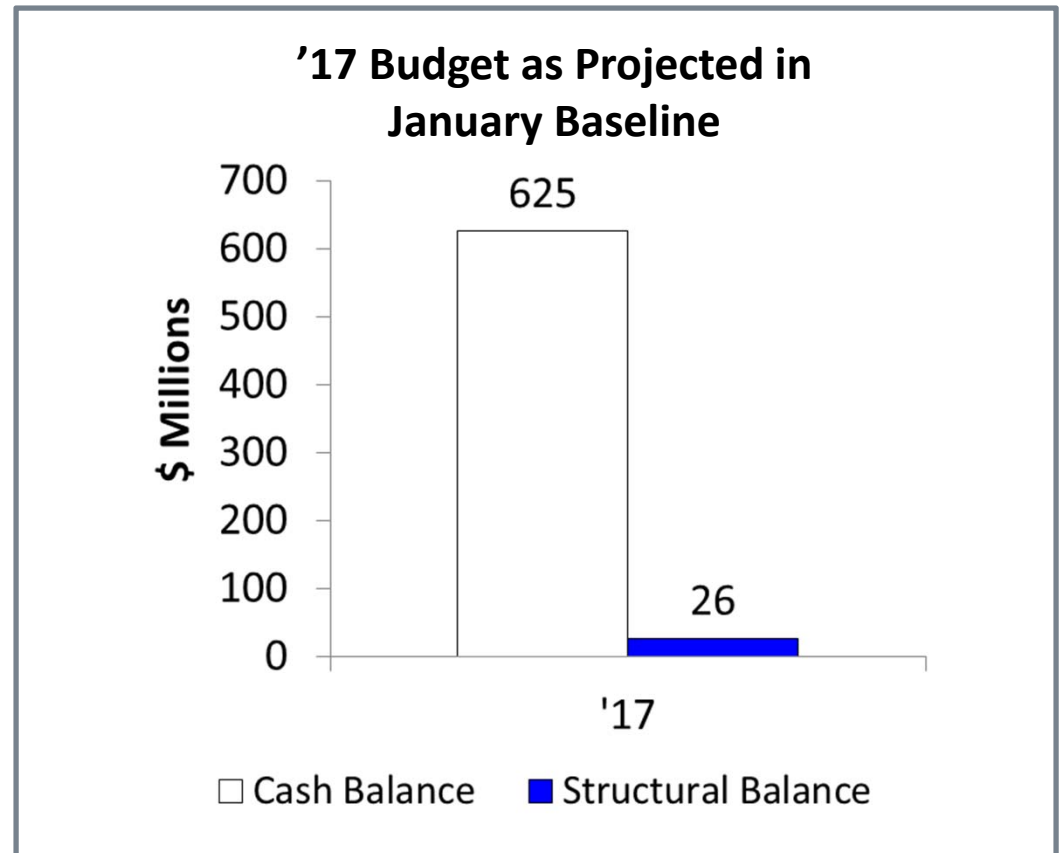
House and Senate Plan As Introduced

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FY 2017 Budget Update

January Baseline: Large Cash, Small Structural Balance

- Using cash balance for ongoing items creates structural gap
- Excludes \$460 M Rainy Day Fund Balance



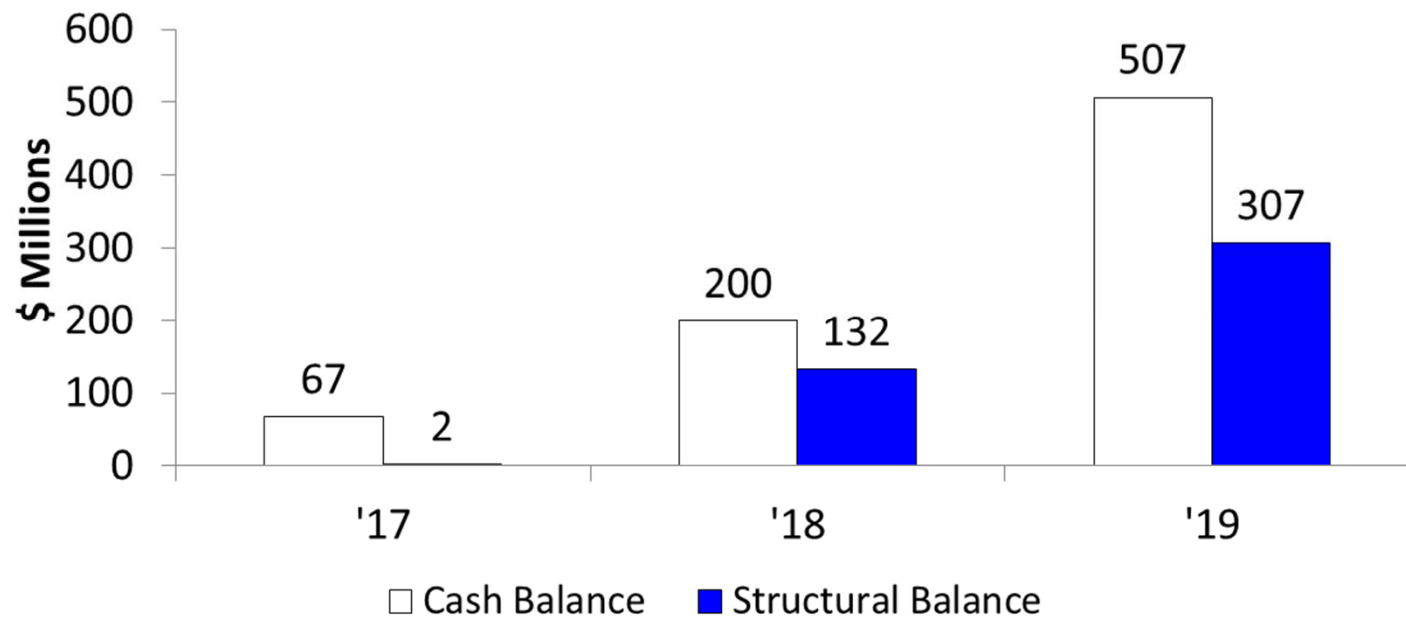
4/26 ALT Includes \$470 M in 1-Time '16 & '17 Spending

	GF \$ in M	
	<u>Ongoing</u>	<u>One-Time</u>
DCS (Plus \$35 M in '16)	24	
JTEDs	29	
Classroom Site Fund Deposit		16
Public School Credit Enhancement Program		SFB / use '16 \$
SFB Building Renewal (\$15 M in '16 & '17)		30
Rollover Repayment (Universities/DES/DCS)		232
Universities	13	19
Border Strike Force	8	15
Transportation (State \$66 M/Local \$30 M)		96
IT Projects (ADE/DCS/ADOA/Corp Comm)		17
ADOA Capital & Flagstaff Veterans Home		20
Counties		8
ADE/AHCCCS Formula Baseline Savings	(76)	

4/26 ALT

4/26 ALT	'16	'17	'18	'19
Balance Forward	\$312 M	\$225 M	\$67 M	\$200 M
Revenues	\$9.43 B	\$9.42 B	\$9.73 B	\$10.12 B
Spending	\$9.52 B	\$9.58 B	\$9.60 B	\$9.82 B
Ending Balance	\$225 M	\$67 M	\$200 M	\$507 M
Base Revenue Growth	3.5%	4.0%	4.6%	4.6%
Spending Growth	2.7%	0.7%	0.2%	2.3%

4/26 ALT Cash and Structural Balance Forecasts



- Improving balances could provide more flexibility, but...
- Based on highly unlikely assumption of no discretionary changes in next 2 years

K-12 Changes for '17

- Assumes Passage of Prop 123

	GF \$ in M Above '16
	<u>'17</u>
Formula	132
"Current Year" Funding	(31)
Classroom Site Fund Deposit	16
Multi-Site Charter Small School Weights	(6)
District Sponsored Charter Offset	0.6
College Credit Incentive Program Pilot	5
Base Adjustment / Miscellaneous	<u>(5)</u>
Total	111

Department of Child Safety Changes for '17

- Plus \$5 M for DCS Automation & \$3 M for Judiciary

	<u>\$ in M Above Original '16</u>	
	<u>'16</u>	<u>'17</u>
Backlog Privatization	2.7	2.7
Investigations and Operations	-	13.8
Out-of-Home Placements	-	10.3
Permanency	-	6.1
Support Services	-	19.5
Deferral	11.0	-
Lump Sum	53.4	-
Total	67.1	52.4
<u>Sources</u>		
General Fund	46.0	23.4
Non-GF Offsets	21.1	29.0

JLBC line-item review, triggered funding, new targets for backlog and out-of-home caseload reduction, separate caseworker line-item, Auditor General reviews, JLBC review of administrative staffing

Department of Corrections Changes for '17

	GF \$ in M Above '16
	<u>'17</u>
1,000 New Private Beds (Authorized Last Year)	17
Health Care	5
Maricopa Community Corrections Center	2
Capital Lease Refinancing	--
Additional 1,000 Bed Trigger	--
- If 1,000 inmate growth by November	
- Otherwise readdress in '17 session	
- County right of first refusal for 1 st 250 beds	
Total	<u>24</u>

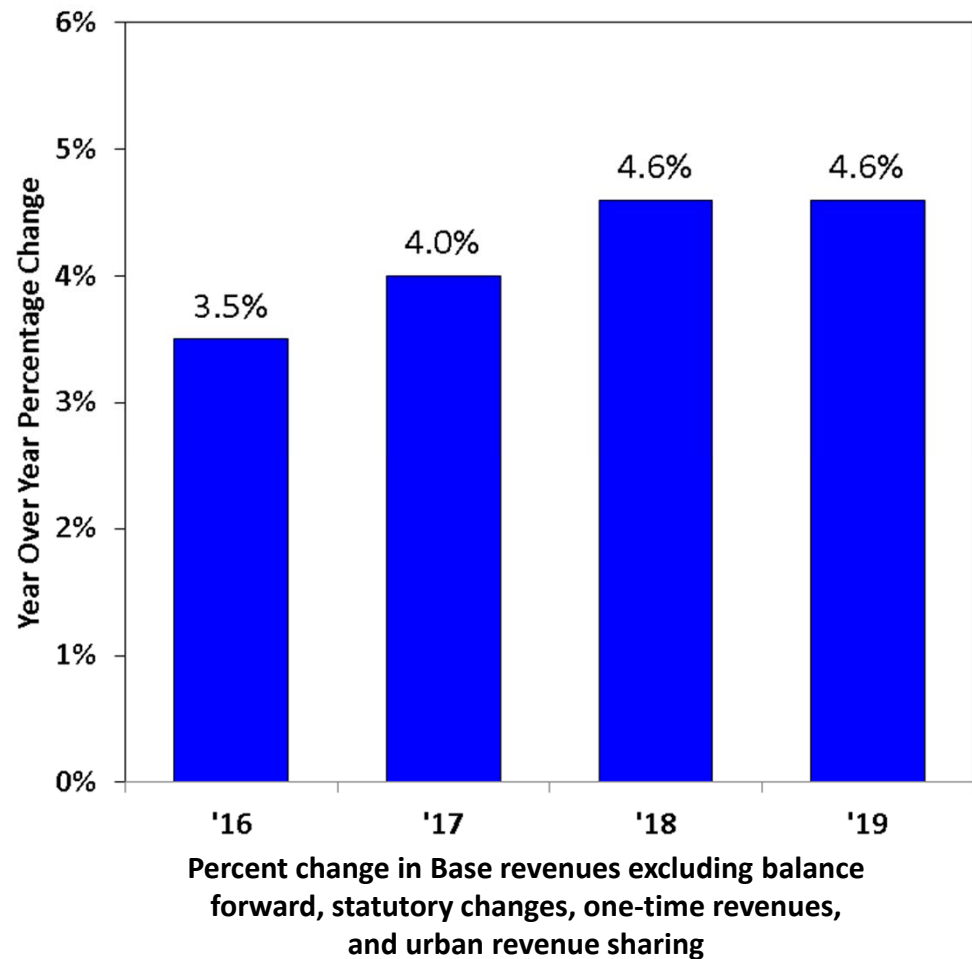
Baseline Revenue Growth Improves Over Time

January Consensus Forecast

- ☐ Finance Advisory Committee
- ☐ UA model – base
- ☐ UA model – low
- ☐ JLBC Staff

Beyond Baseline

- ☐ 4/26 ALT sets aside \$26 M for tax reduction
- ☐ Reduces Health Insurance Transfer from \$100 M to \$50 M



		A	B
		FY 2016 4/26 ALT	FY 2017 4/26 ALT
1	Beginning Balance	\$ 312.3	\$ 225.0
Ongoing Revenues			
2	Ongoing Revenues - January Baseline	9,164.0	9,396.9
3	Tax Package		(26.0)
4	Subtotal - Ongoing Revenues	\$ 9,164.0	\$ 9,370.9
One-Time Revenues			
5	Tax Amnesty	47.0	Payments-Pre 15
6	FY 2016 Transfers	217.0	
7	Fund Transfer - ADOA Health Insurance Trust Fund		50.0
8	Fund Transfer - Accounting System Costs		0.5
9	Building Sales		
10	Subtotal - One-Time Revenues (Including Beginning Balance)	\$ 576.3	\$ 275.5
11	Total Revenues	\$ 9,740.3	\$ 9,646.4
12	JLBC Baseline - Ongoing Spending	\$ 9,234.8	\$ 9,370.9
Ongoing Changes to JLBC Baseline			
13	ADOA/APF - CHILDS Funding @ \$4.6 M		(0.4)
14	ADOA - Procurement Funding		0.5
15	AHCCCS - Formula		(50.9)
16	AHCCCS - ALTCS Adult Dental		1.4
17	AHCCCS - BHS Admin Savings		(0.5)
18	Attorney General - Post Conviction Fund Shift		0.8
19	DCS - Preventative Services		5.0
20	DCS - Remove One-time Backlog Reduction Funding		8.4
21	DCS - Permanency Growth		6.4
22	DCS - Emergency and Residential Placement		8.0
23	DCS - Foster Care Growth		2.0
24	DCS - Out of Home Support Services Growth		12.5
25	DCS - Child Care Growth		2.0
26	DCS - Attorney General Shortfall		1.9

		A	B
		FY 2016 4/26 ALT	FY 2017 4/26 ALT
27	DCS - Attorneys		3.1
28	DCS - Central Administration		6.7
29	DCS - Case Aides		2.5
30	DCS - Backlog Privatization	2.7	2.7
31	DCS - Non-GF Solutions		(25.0)
32	DCS - Additional Funding	34.6	
33	Corrections - Northern Regional Community Corrections Center		1.6
34	Corrections - Inmate Healthcare		COP Savings
			250 Cty/1,000 trigger
			Calc 1k inmate gwth
			Expires Nov 16
			/JCCR approval
35	Corrections - Authorize 2,000 Male Medium Beds		0.1
36	Corrections - Re-Entry Planner		Yes - DUI/AXS
37	Corrections - Expand Transition Program		
38	DES - DD Capitation/Caseload Growth	4.5	
39	DES - DD 1% Provider Rate Increase		3.0
40	DES - ALTCS Adult Dental		1.2
41	DES - DD Room and Board Shortfall		One-time Below
42	DES - APS Caseload Growth		One-time Below
43	DES - Vocational Rehabilitation		2.0
44	DES - Area Agencies on Aging/Adult Services (Lottery Fund)		Other Fund - One time
45	ADE - Formula		(24.6)
46	ADE - Increased Testing Costs		Other Fund
47	ADE - Data System Support		Fund From ADE IT
48	ADE - JTED Funding/Reforms		29.0
49	ADE - Small School Weight		1.2
50	ADE - 1% Cap Language (HB 2480)		Sep. Bill o/s Budget
51	ADE - Tribal Dual Enrollment (\$160k to \$250k)		Other Fund - 90k
52	DEMA - State Match for Army/Air Guard Facilities	0.7	1.5
53	DEQ - WQARF Fund Shift		(4.2)
54	DEQ - Reduce VEI Fees (\$3 Reduction)		Yes
55	FBLS - Consolidate w/ Forester, Housing, Real Estate (\$448k Savings)		(2.2)
56	Forester - FBLS Consolidation (State Fire Marshal)		0.9
57	Forester - Risk Management Increase	0.1	0.1
58	Forester - Fire Management Software (One-time \$ Below)		0.1
59	Geological Survey - Consolidate Into UofA		(0.9)

		A	B
		FY 2016 4/26 ALT	FY 2017 4/26 ALT
60	DHS - BHS Caseload/Inflation	(21.4)	
61	DHS - Additional 29 Security Officers/Nurses ASH		1.5
62	DHS - Restoration to Competency 3-Year Program		Study Committee
63	Housing - FBLS Consolidation (Manufactured Housing)		0.8
64	Judiciary - Dependency Caseload		3.0
65	Judiciary - Adult Standard Probation Growth - Contingent		1.0
66	Judiciary - 2 New Justices Funding - Contingent		0.5
67	Judiciary - 1.5% Judicial Pay Raise (In '17 and '18) - Contingent		0.1
68	Judiciary - One-Time Extend Maricopa Drug Court Funding		Yes
69	DJC - Lower Population + \$700k County Savings		(1.5)
70	Land - Self Fund Agency		Repeal Referral
71	Land - CAP Fees		32k
72	Legislature - Senate - Additional Funding (\$1.25 M)		1.3
73	Liquor - Staff Funding		62k - PSPRS
74	DPS - Border Security (+ 1-time Below)		8.0
75	DPS - Moving Truck Transfer Savings		
76	DPS - Pay Raise (3% All Sworn and Highway Patrol Civilian)		4.6
77	DPS - Civil Air Patrol		0.2
78	Real Estate - FBLS Consolidation (HOA Dispute Process)		18k
79	SFB - Create Public School Credit Enhancement Program	Shift Existing Funds	(21.5)
80	SFB - Reduce 25% Locally Funded Space Exclusion to 10% for >7,500 Pupils		Yes
81	Universities - ASU/UA - Freedom Schools (\$3 M ASU/\$2 M UA)		5.0
82	Other - ADOA - Accounting System Operating Costs		0.5
83	Other - ADOA - Fleet Management Charge		80k Mileage/Report
84	Other - Annualize HITF Savings		(0.2)
85	Other - Revertments/Administrative Adjustments		(0.7)
86	Subtotal - Ongoing Changes to JLBC Baseline	\$ 21.2	\$ (1.5)
87	Total Ongoing Spending	\$ 9,256.0	\$ 9,369.4

		A	B
		FY 2016 4/26 ALT	FY 2017 4/26 ALT
88	JLBC Baseline One-Time Spending	\$ 6.2	\$ -
89	One-Time Changes to JLBC Baseline		
90	ADOA/APF - ADE IT		7.3
91	ADOA/APF - Procurement IT (Plus \$3 M AFIS Contingency)		3.0
92	ADOA - GTO Funding		Other Fund - \$500k
93	DCS - Litigation Costs	OF - Risk Mgmt.	
94	Corp Comm - IT Funding		2.0
95	Counties - DJC Offset		8.0
96	Counties - Flexibility Language		200k pop, \$1 M limit
97	DES - One-time DV Shelter \$50k Each (Maricopa/Yuma County)		0.1
98	DES - DD Room and Board Shortfall		Other Fund - 0.6
99	DES - APS Caseload Growth		Other Fund - 2.0
100	ADE - College Prep (Formula, 18 Pay on 17 Results)		5.0
101	ADE - District Sponsored Charters - One-time		0.6
102	ADE - Classroom Site Fund Deposit - One-time		15.5
103	ADE - Code Writers Pilot		Other Fund - \$0.5 M
104	ADE - Geographic Literacy		0.1
105	DEQ - WQARF Funding		Other Fund - \$2.9 M
106	Forester - Inmate Fire Crew Carriers		0.2
107	Forester - Wildland Fire Engines		0.1
108	DHS - Alzheimer's Research		Other Fund - \$1 M
109	DHS - ASH Fund Shortfall	Other Fund - \$2.4 M	
110	Legislature - Auditor General		0.2
111	Parks - Arizona Trail (\$150k)		Other Fund - \$150k
112	DPS - Border Security (Plus Other Fund \$4 M)		14.6
113	DPS - Virtual Law Enforcement Training (ATA Fund)		Other Fund - \$2.1 M
114	DPS - Testing Sexual Assault Kits		0.5
115	DOR - Military Withholding Refunds		2.0
116	SOS - PPE Funding	6.1	
117	SFB - Building Renewal Grants	15.0	15.0
118	SFB - Public School Credit Enhancement Transaction Costs		0.5
119	WIFA - Small Water Systems Fund Deposit		0.5
120	DWR - Water Protection Fund Deposit (\$250k)		0.3

		A	B
		FY 2016 4/26 ALT	FY 2017 4/26 ALT
121	Universities - Eliminate Payment Deferral	200.0	
122	Universities - One-time Funding - ASU		7.0
123	Universities - One-time Funding - NAU		4.0
124	Universities - One-time Funding - UA		8.0
125	Other - DCS - Eliminate Payment Deferral	11.0	
126	Other - DES - Eliminate Payment Deferral	21.0	
127	Capital - ADOT - \$66 M State (Fastlane, 189, H60) / \$30 M Local		96.0
128	Capital - ADOA - Projects (General Fund)		10.0
129	Capital - ADOA - Projects (OF) (\$4 M DHS/\$120k State Fair Set Aside)		Other Fund - \$10 M
130	Capital - Vets - Veterans Home Flagstaff		10.0
131	Subtotal - One-Time Changes to JLBC Baseline	\$ 253.1	\$ 210.5
132	Total One-Time Spending	\$ 259.3	\$ 210.5
133	Total Spending	\$ 9,515.3	\$ 9,579.9
134	Ending Cash Balance	\$ 225.0	\$ 66.5
135	Structural Balance	\$ (92.0)	\$ 1.5

		C	D
		FY 2018 4/26 ALT	FY 2019 4/26 ALT
1	Beginning Balance	\$ 66.5	\$ 199.2
Ongoing Revenues			
2	Ongoing Revenues - January Baseline	9,754.6	10,150.2
3	Tax Package	(26.0)	(26.0)
4	Subtotal - Ongoing Revenues	\$ 9,728.6	\$ 10,124.2
One-Time Revenues			
5	Tax Amnesty		
6	FY 2016 Transfers		
7	Fund Transfer - ADOA Health Insurance Trust Fund		
8	Fund Transfer - Accounting System Costs	0.5	0.5
9	Building Sales		
10	Subtotal - One-Time Revenues (Including Beginning Balance)	\$ 67.0	\$ 199.7
11	Total Revenues	\$ 9,795.6	\$ 10,323.9
12	JLBC Baseline - Ongoing Spending	\$ 9,606.9	\$ 9,825.4
Ongoing Changes to JLBC Baseline			
13	ADOA/APF - CHILDS Funding @ \$4.6 M		
14	ADOA - Procurement Funding	0.5	0.5
15	AHCCCS - Formula	(50.9)	(50.9)
16	AHCCCS - ALTCS Adult Dental	1.4	1.4
17	AHCCCS - BHS Admin Savings	(0.5)	(0.5)
18	Attorney General - Post Conviction Fund Shift	0.8	0.8
19	DCS - Preventative Services	5.0	5.0
20	DCS - Remove One-time Backlog Reduction Funding	8.4	8.4
21	DCS - Permanency Growth	6.4	6.4
22	DCS - Emergency and Residential Placement	8.0	8.0
23	DCS - Foster Care Growth	2.0	2.0
24	DCS - Out of Home Support Services Growth	12.5	12.5
25	DCS - Child Care Growth	2.0	2.0
26	DCS - Attorney General Shortfall	1.9	1.9

		C	D
		FY 2018 4/26 ALT	FY 2019 4/26 ALT
27	DCS - Attorneys	3.1	3.1
28	DCS - Central Administration	6.7	6.7
29	DCS - Case Aides	2.5	2.5
30	DCS - Backlog Privatization	2.7	2.7
31	DCS - Non-GF Solutions	(25.0)	(25.0)
32	DCS - Additional Funding		
33	Corrections - Northern Regional Community Corrections Center	1.6	1.6
34	Corrections - Inmate Healthcare		
35	Corrections - Authorize 2,000 Male Medium Beds		
36	Corrections - Re-Entry Planner	0.1	0.1
37	Corrections - Expand Transition Program		
38	DES - DD Capitation/Caseload Growth		
39	DES - DD 1% Provider Rate Increase	3.0	3.0
40	DES - ALTCS Adult Dental	1.2	1.2
41	DES - DD Room and Board Shortfall		
42	DES - APS Caseload Growth		
43	DES - Vocational Rehabilitation	2.0	2.0
44	DES - Area Agencies on Aging/Adult Services (Lottery Fund)		
45	ADE - Formula	(42.6)	(38.3)
46	ADE - Increased Testing Costs		
47	ADE - Data System Support		
48	ADE - JTED Funding/Reforms	27.2	27.2
49	ADE - Small School Weight	1.2	1.2
50	ADE - 1% Cap Language (HB 2480)		
51	ADE - Tribal Dual Enrollment (\$160k to \$250k)		
52	DEMA - State Match for Army/Air Guard Facilities	1.5	1.5
53	DEQ - WQARF Fund Shift	(4.2)	(4.2)
54	DEQ - Reduce VEI Fees (\$3 Reduction)		
55	FBLs - Consolidate w/ Forester, Housing, Real Estate (\$448k Savings)	(2.2)	(2.2)
56	Forester - FBLs Consolidation (State Fire Marshal)	0.9	0.9
57	Forester - Risk Management Increase	0.1	0.1
58	Forester - Fire Management Software (One-time \$ Below)	0.1	0.1
59	Geological Survey - Consolidate Into UofA	(0.9)	(0.9)

		C	D
		FY 2018 4/26 ALT	FY 2019 4/26 ALT
60	DHS - BHS Caseload/Inflation		
61	DHS - Additional 29 Security Officers/Nurses ASH	1.5	1.5
62	DHS - Restoration to Competency 3-Year Program		
63	Housing - FBLS Consolidation (Manufactured Housing)	0.8	0.8
64	Judiciary - Dependency Caseload	3.0	3.0
65	Judiciary - Adult Standard Probation Growth - Contingent	1.0	1.0
66	Judiciary - 2 New Justices Funding - Contingent	0.5	0.5
67	Judiciary - 1.5% Judicial Pay Raise (In '17 and '18) - Contingent	0.3	0.4
68	Judiciary - One-Time Extend Maricopa Drug Court Funding		
69	DJC - Lower Population + \$700k County Savings	(1.5)	(1.5)
70	Land - Self Fund Agency	12.5	12.5
71	Land - CAP Fees	32k	32k
72	Legislature - Senate - Additional Funding (\$1.25 M)	1.3	1.3
73	Liquor - Staff Funding	62k - PSPRS	62k - PSPRS
74	DPS - Border Security (+ 1-time Below)	8.0	8.0
75	DPS - Moving Truck Transfer Savings	(0.1)	(0.1)
76	DPS - Pay Raise (3% All Sworn and Highway Patrol Civilian)	4.6	4.6
77	DPS - Civil Air Patrol	0.2	0.2
78	Real Estate - FBLS Consolidation (HOA Dispute Process)	18k	18k
79	SFB - Create Public School Credit Enhancement Program	(21.5)	(21.5)
80	SFB - Reduce 25% Locally Funded Space Exclusion to 10% for >7,500 Pupils		
81	Universities - ASU/UA - Freedom Schools (\$3 M ASU/\$2 M UA)	5.0	5.0
82	Other - ADOA - Accounting System Operating Costs	0.5	0.5
83	Other - ADOA - Fleet Management Charge		
84	Other - Annualize HITF Savings	(0.2)	(0.2)
85	Other - Revertments/Administrative Adjustments	(2.9)	(4.3)
86	Subtotal - Ongoing Changes to JLBC Baseline	\$ (10.5)	\$ (7.5)
87	Total Ongoing Spending	\$ 9,596.4	\$ 9,817.9

		C	D
		FY 2018 4/26 ALT	FY 2019 4/26 ALT
88	JLBC Baseline One-Time Spending	\$ -	\$ -
89	One-Time Changes to JLBC Baseline		
90	ADOA/APF - ADE IT		
91	ADOA/APF - Procurement IT (Plus \$3 M AFIS Contingency)		
92	ADOA - GTO Funding		
93	DCS - Litigation Costs		
94	Corp Comm - IT Funding		
95	Counties - DJC Offset		
96	Counties - Flexibility Language		
97	DES - One-time DV Shelter \$50k Each (Maricopa/Yuma County)		
98	DES - DD Room and Board Shortfall		
99	DES - APS Caseload Growth		
100	ADE - College Prep (Formula, 18 Pay on 17 Results)		
101	ADE - District Sponsored Charters - One-time		
102	ADE - Classroom Site Fund Deposit - One-time		
103	ADE - Code Writers Pilot		
104	ADE - Geographic Literacy		
105	DEQ - WQARF Funding		
106	Forester - Inmate Fire Crew Carriers		
107	Forester - Wildland Fire Engines		
108	DHS - Alzheimer's Research		
109	DHS - ASH Fund Shortfall		
110	Legislature - Auditor General		
111	Parks - Arizona Trail (\$150k)		
112	DPS - Border Security (Plus Other Fund \$4 M)		
113	DPS - Virtual Law Enforcement Training (ATA Fund)		
114	DPS - Testing Sexual Assault Kits		
115	DOR - Military Withholding Refunds		
116	SOS - PPE Funding		
117	SFB - Building Renewal Grants		
118	SFB - Public School Credit Enhancement Transaction Costs		
119	WIFA - Small Water Systems Fund Deposit		
120	DWR - Water Protection Fund Deposit (\$250k)		

		C	D
		FY 2018 4/26 ALT	FY 2019 4/26 ALT
121	Universities - Eliminate Payment Deferral		
122	Universities - One-time Funding - ASU		
123	Universities - One-time Funding - NAU		
124	Universities - One-time Funding - UA		
125	Other - DCS - Eliminate Payment Deferral		
126	Other - DES - Eliminate Payment Deferral		
127	Capital - ADOT - \$66 M State (Fastlane, 189, H60) / \$30 M Local		
128	Capital - ADOA - Projects (General Fund)		
129	Capital - ADOA - Projects (OF) (\$4 M DHS/\$120k State Fair Set Aside)		
130	Capital - Vets - Veterans Home Flagstaff		
131	Subtotal - One-Time Changes to JLBC Baseline	\$ -	\$ -
132	Total One-Time Spending	\$ -	\$ -
133	Total Spending	\$ 9,596.4	\$ 9,817.9
134	Ending Cash Balance	\$ 199.2	\$ 506.0
135	Structural Balance	\$ 132.2	\$ 306.3

STATEMENT OF GENERAL FUND REVENUES AND EXPENDITURES ^{1/} WITH ONE-TIME FINANCING SOURCES

	FY 2016 4/26 ALT	FY 2017 4/26 ALT	FY 2018 4/26 ALT	FY 2019 4/26 ALT
REVENUES				
Ongoing Revenues	\$9,769,648,500	\$10,158,379,200	\$10,521,214,000	\$10,905,740,800
Previously Enacted Changes		(97,800,000)	(90,400,000)	(73,300,000)
Newly Enacted Changes		(26,000,000)	(26,000,000)	(26,000,000)
Urban Revenue Sharing	(605,634,300)	(663,652,100)	(676,193,800)	(682,236,800)
Net On-going Revenues	\$9,164,014,200	\$9,370,927,100	\$9,728,620,200	\$10,124,204,000
One-time Financing Sources				
Balance Forward	312,276,000	224,997,200	66,684,400	199,443,700
Tax Amnesty	47,048,500			
Fund Transfers	217,017,700	50,461,600	461,600	461,600
Subtotal One-time Revenues	\$576,342,200	\$275,458,800	\$67,146,000	\$199,905,300
Total Revenues	\$9,740,356,400	\$9,646,385,900	\$9,795,766,200	\$10,324,109,300
EXPENDITURES				
Operating Budget Appropriations	\$9,230,421,600	\$9,409,957,500	\$9,639,190,800	\$9,862,079,100
Supplementals	50,607,600			
Administrative Adjustments	85,000,000	70,000,000	70,000,000	70,000,000
Revertments	(110,000,000)	(110,682,500)	(112,868,300)	(114,260,700)
Subtotal Ongoing Expenditures	\$9,256,029,200	\$9,369,275,000	\$9,596,322,500	\$9,817,818,400
One-time Expenditures				
Capital Outlay	\$6,200,000	\$20,000,000		
Eliminate DCS/DES/Univ. Rollover	\$232,000,000	0		
Transportation Funding		96,000,000		
Other One-Time Spending	\$21,130,000	94,426,500		
Subtotal One-time Expenditures	\$259,330,000	\$210,426,500	\$0	\$0
Total Expenditures	\$9,515,359,200	\$9,579,701,500	\$9,596,322,500	\$9,817,818,400
Ending Balance ^{2/}	\$224,997,200	\$66,684,400	\$199,443,700	\$506,290,900
Structural Balance ^{3/}	(\$92,015,000)	\$1,652,100	\$132,297,700	\$306,385,600

^{1/} Significant one-time revenues and expenditures are separately detailed so as to permit the calculation of ongoing revenue and expenditures.

^{2/} This calculation reflects the difference between total revenues and total expenditures. Excludes any Budget Stabilization Fund balance.

^{3/} This calculation reflects the difference between ongoing revenues and expenditures and excludes one-time adjustments.
Excludes any Budget Stabilization Fund balance.

GENERAL FUND SPENDING ESTIMATES BY MAJOR BUDGET UNITS

	FY 2016 4/26 ALT	FY 2017 Change From Prior Year	FY 2017 4/26 ALT	FY 2018 Change From Prior Year	FY 2018 4/26 ALT	FY 2019 Change From Prior Year	FY 2019 4/26 ALT
EXPENDITURES							
Operating Budget							
-- Department of Administration	\$10,377,300	500,000	\$10,877,300		\$10,877,300		\$10,877,300
-- ADOA - Automation Projects Fund	7,783,000	(3,201,400)	4,581,600	418,400	5,000,000		5,000,000
-- ADOA - Dept. of Child Safety	0						
-- AHCCCS	1,205,162,300	545,918,500	1,751,080,800	77,193,500	1,828,274,300	97,513,900	1,925,788,200
-- Attorney General	23,623,700	1,149,400	24,773,100		24,773,100		24,773,100
-- Department of Child Safety	356,448,200	23,415,600	379,863,800		379,863,800		379,863,800
-- Commerce Authority	26,800,000	(5,000,000)	21,800,000		21,800,000		21,800,000
-- Community Colleges	54,373,200	(267,700)	54,105,500	256,600	54,362,100	388,600	54,750,700
-- Department of Corrections	1,029,900,600	24,235,600	1,054,136,200	7,090,800	1,061,227,000		1,061,227,000
-- County Funding	6,000,500		6,000,500		6,000,500		6,000,500
-- Department of Economic Security	496,181,900	34,022,600	530,204,500	25,462,900	555,667,400	28,690,800	584,358,200
-- Department of Education	3,941,873,900	89,790,000	4,031,663,900	117,737,600	4,149,401,500	127,823,300	4,277,224,800
-- Department of Environmental Quality	7,000,000	(4,176,400)	2,823,600		2,823,600		2,823,600
-- Department of Health Services	602,738,300	(515,791,900)	86,946,400		86,946,400		86,946,400
-- Judiciary	106,178,000	4,600,000	110,778,000	200,000	110,978,000	100,000	111,078,000
-- Department of Juvenile Corrections	26,984,600	(2,500,000)	24,484,600		24,484,600		24,484,600
-- State Land Department	12,520,500	32,100	12,552,600		12,552,600		12,552,600
-- Department of Public Safety	93,374,800	12,923,100	106,297,900	(53,500)	106,244,400		106,244,400
-- Public Safety Personnel Retirement System	6,000,000		6,000,000		6,000,000		6,000,000
-- Department of Revenue	30,338,600		30,338,600		30,338,600		30,338,600
-- School Facilities Board	216,878,100	(27,356,500)	189,521,600	(1,419,500)	188,102,100	(35,474,500)	152,627,600
-- Office of Tourism	7,110,400		7,110,400		7,110,400		7,110,400
-- Universities	660,845,100	17,054,500	677,899,600	3,698,800	681,598,400	(58,000)	681,540,400
-- Department of Water Resources	12,803,100		12,803,100		12,803,100		12,803,100
-- All Other Budgets	174,545,100	(8,211,800)	166,333,300	(3,400,000)	162,933,300	3,400,000	166,333,300
-- Civic Center Payment	20,449,000		20,449,000	2,050,000	22,499,000	497,300	22,996,300
-- Rio Nuevo Payment	10,000,000		10,000,000		10,000,000		10,000,000
-- Asset Sale/Lease-Back Debt Service	84,114,600	2,800	84,117,400	(2,300)	84,115,100	6,900	84,122,000
-- Hiring Freeze/Consolidations	0						
-- AFIS Rate Adjustment		461,600	461,600		461,600		461,600
-- HITF Employer Rate Reduction	0	(8,047,400)	(8,047,400)		(8,047,400)		(8,047,400)
-- Unallocated Adjustments	16,800	(16,800)					
Total - Operating Budget	\$9,230,421,600	\$179,535,900	\$9,409,957,500	\$229,233,300	\$9,639,190,800	\$222,888,300	\$9,862,079,100
-- FY 2016 Supplementals	50,607,600	(50,607,600)					
-- Capital Outlay	6,200,000	13,800,000	20,000,000	(20,000,000)			
-- Payment Deferrals	232,000,000	(232,000,000)					
-- Transportation Funding		96,000,000	96,000,000	(96,000,000)			
-- Other One-Time Spending	21,130,000	73,296,500	94,426,500	(94,426,500)			
-- Administrative Adjustments	85,000,000	(15,000,000)	70,000,000		70,000,000		70,000,000
-- Revertments	(110,000,000)	(682,500)	(110,682,500)	(2,185,800)	(112,868,300)	(1,392,400)	(114,260,700)
Total Spending	\$9,515,359,200	\$64,342,300	\$9,579,701,500	\$16,621,000	\$9,596,322,500	\$221,495,900	\$9,817,818,400

DETAILED LIST OF GENERAL FUND CHANGES BY AGENCY

	FY 2016 GF 4/26 ALT 1/		FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	FY 2017 GF 4/26 ALT
OPERATING SPENDING CHANGES					
DOA - Arizona Department of Administration	10,377,300				10,877,300
DOA - Procurement Funding				500,000	
APF - Automation Projects Fund/ADOA	7,783,000				14,881,600
APF - Remove ADOA Accounting Automation			(2,383,000)		
APF - ADE Automation (One-time)			(5,400,000)	7,300,000	
APF - DCS Automation			5,000,000	(418,400)	
APF - DOA Procurement (One-time)				3,000,000	
OAH - Office of Administrative Hearings	861,700				861,700
AAM - Commission of African-American Affairs	125,000				125,000
AGR - Department of Agriculture	8,287,400				9,219,600
AGR - Weights and Measures Transfer			1,262,800		
AGR - Weights and Measures Consolidation Savings			(330,600)		
AXS - AHCCCS	1,205,162,300				1,751,080,800
AXS - Acute Care Formula			50,511,800	(50,953,400)	
AXS - Behavioral Health Services Transfer			517,304,700		
AXS - Behavioral Health Services Caseload/Inflation			28,840,700		
AXS - Hiring Freeze BHS Admin Savings			(607,500)	(456,700)	
AXS - Other Adjustments			(80,400)		
AXS - ALTCS Adult Dental				1,359,300	
ATT - Attorney General	23,623,700				24,773,100
ATT - Internet Crimes Against Children Shift			350,000		
ATT - Post Conviction Relief Unit				799,400	
CHA - State Board for Charter Schools	1,200,900				1,194,100
CHA - Remove One-Time Equipment Funding			(6,800)		
DCS - Department of Child Safety	356,448,200				379,863,800
DCS - Remove One-Time Backlog Funding			(12,408,200)	12,408,200	
DCS - Preventative Services			4,000,000	1,000,000	
DCS - Internet Crimes Against Children Shift			(350,000)		
DCS - Backlog Privatization				2,700,000	
DCS - Central Administrative Staff				6,685,700	
DCS - Case Aides and Overtime				2,500,000	

	FY 2016 GF 4/26 ALT 1/		FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	FY 2017 GF 4/26 ALT
DCS - Attorney General				5,000,000	
DCS - Emergency and Residential Placement				8,000,000	
DCS - Foster Care				2,000,000	
DCS - Independent Living Subsidy				250,000	
DCS - Adoption Subsidy				6,000,000	
DCS - Permanent Guardianship				101,600	
DCS - Out-of-Home Support Services				12,500,000	
DCS - Child Care				2,000,000	
DCS - GF Savings				(25,000,000)	
DCS - TANF Swap (w/ DES)				(3,971,700)	
ACA - Arizona Commerce Authority	26,800,000				21,800,000
ACA - Reduce Competes Fund Deposit			(5,000,000)		
CCO - Arizona Community Colleges	54,373,200				54,105,500
CCO - Enrollment Decrease (Operating Aid)			(972,100)		
CCO - Enrollment Decrease (STEM Aid)			(230,300)		
CCO - Changes in NAV (Equalization Aid)			934,700		
COR - Corporation Commission	614,200				2,614,200
COR - Automation Funding (One-time)				2,000,000	
ADC - Department of Corrections	1,029,900,600				1,054,136,200
ADC - 1,000 New Medium Security Beds			17,098,500		
ADC - Health Care Inflation Adjustment			5,133,200		
ADC - Retirement Adjustment			723,500		
ADC - Remove Leap Year Funding			(929,100)		
ADC - Private Prison Monitoring			528,000		
ADC - Northern Community Corrections Center				1,578,000	
ADC - Re-Entry Planners				103,500	
CF - County Funding	6,000,500				14,000,500
CF - Additional County Distribution				8,000,000	
SDB - Arizona State Schools for the Deaf and the Blind	21,596,400				21,596,400
DES - Department of Economic Security	496,181,900				530,304,500
DES - DD Caseload/Inflation Funding			27,829,900		
DES - DD 1% Provider Rate Increase				2,959,300	
DES - TANF Savings			(3,971,700)		
DES - ALTCS Adult Dental				1,233,400	
DES - DD Room and Board Shortfall				Other Fund	
DES - APS Caseload Growth				Other Fund	
DES - Vocational Rehabilitation				2,000,000	

	FY 2016 GF 4/26 ALT 1/		FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	FY 2017 GF 4/26 ALT
DES - TANF Swap (w/ DCS)				3,971,700	
DES - Domestic Violence Shelter - Maricopa County (One-time)				50,000	
DES - Domestic Violence Shelter - Yuma County (One-time)				50,000	
BOE - State Board of Education	1,325,200				1,325,200
ADE - Arizona Department of Education	3,941,873,900				4,052,837,900
ADE - Base Adjustment			(2,400,000)		
ADE - Enrollment Growth			83,575,700	(10,000,000)	
ADE - Higher Average Cost Per Pupil			19,500,000		
ADE - Inflation			64,745,200	(8,775,400)	
ADE - New Construction			(43,194,700)	(6,956,500)	
ADE - Homeowner's Rebate			30,988,300	1,164,100	
ADE - Land Trust Distribution			(363,700)		
ADE - Multi-Site Charters Small School Weight			(6,500,000)		
ADE - District Sponsored Charter Phase-Out			(1,893,000)		
ADE - JTED Funding			(30,000,000)	29,000,000	
ADE - Current Year Funding			(31,000,000)		
ADE - Empowerment Scholarship Accounts			700,000		
ADE - Small School Weight for Multi-Site Charter				1,200,000	
ADE - Increased Assessment Costs				Other Fund	
ADE - Fund District Sponsered Charter Schools @ 25% (One-time)				574,000	
ADE - Classroom Site Fund Deposit (One-time)				15,500,000	
ADE - Code Writers Pilot (One-time)				Other Fund	
ADE - Geographic Literacy (One-time)				100,000	
ADE - AP Testing Incentives (One-time)				5,000,000	
EMA - Department of Emergency & Military Affairs	11,102,700				12,626,200
EMA - NEMF Increase			38,500		
EMA - Restore State Match for Army/Air Guard Facilities				1,485,000	
DEQ - Department of Environmental Quality	7,000,000				2,823,600
DEQ - WQARF Fund Shift				(4,176,400)	
OEO - Governor's Office of Equal Opportunity	189,000				189,000
EQU - State Board of Equalization	642,800				642,800
EXE - Board of Executive Clemency	956,000				956,000
DFI - Dept of Financial Institutions	3,008,000				2,995,400
DFI - Appraisal Consolidation Savings			(12,600)		
DFI - Board of Appraisal Fund Source					Yes

	FY 2016 GF 4/26 ALT 1/		FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	FY 2017 GF 4/26 ALT
BFS - Department of Fire, Building & Life Safety	2,202,000				0
BFS - Agency Consolidation				(2,202,000)	
FOR - State Forester	9,012,300				10,466,500
FOR - Risk Management Increase				146,700	
FOR - Fire Management Software				85,000	
FOR - Inmate Fire Crew Carriers (One-time)				190,000	
FOR - Wildland Fire Engines (One-time)				112,500	
FOR - Fire, Building & Life Safety Consolidation				920,000	
GAM - Department of Gaming	1,779,500				1,779,500
GEO - Arizona Geological Survey	941,000				0
GEO - Consolidation into UA				(941,000)	
GOV - Office of the Governor	6,889,000				6,889,000
OSP - Gov's Office of Strategic Planning & Budgeting	1,994,000				1,994,000
DHS - Department of Health Services	602,738,300				86,946,400
DHS - Behavioral Health Services Transfer			(517,304,700)		
DHS - Non-Medicaid Funds for ASH				AHCCCS Footnote	
DHS - Additional 29 Security Officers/Nurses ASH				1,512,800	
DHS - Restoration to Competency Program				Study Committee	
AZH - Arizona Historical Society	3,157,200				3,157,200
PAZ - Prescott Historical Society	825,800				825,800
DOH - Department of Housing	0				814,800
DOH - Fire, Building & Life Safety Consolidation				814,800	
IND - Independent Redistricting Commission	1,115,300				1,115,300
CIA - Arizona Commission of Indian Affairs	57,400				57,400
INS - Department of Insurance	5,867,400				5,856,000
INS - Remove One-Time Equipment Funding			(11,400)		
SPA - Judiciary - Supreme Court	17,951,100				18,461,700
SPA - 2 New Supreme Court Justices				500,000	
SPA - 1.5% Judicial Pay Raise (In '17 and '18)				10,600	

	FY 2016 GF 4/26 ALT 1/		FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	FY 2017 GF 4/26 ALT
COA - Judiciary - Court of Appeals	14,315,500				14,347,400
COA - 1.5% Judicial Pay Raise (In '17 and '18)				31,900	
SUP - Judiciary - Superior Court	73,911,400				77,968,900
SUP - Dependency Surge				3,000,000	
SUP - Adult Standard Probation Growth				1,000,000	
SUP - 1.5% Judicial Pay Raise (In '17 and '18)				57,500	
DJC - Department of Juvenile Corrections	26,984,600				24,484,600
DJC - Admission/Population Changes			(1,000,000)	(1,500,000)	
LAN - State Land Department	12,520,500				12,552,600
LAN - CAP Fees				32,100	
Legislature					
AUD - Auditor General	17,933,300				18,133,300
AUD - Audit Funding (One-time)				200,000	
HOU - House of Representatives	13,289,500				13,289,500
JLBC - Joint Legislative Budget Committee	2,490,900				2,490,900
LEG - Legislative Council	8,233,300				8,233,300
SEN - Senate	8,223,900				9,473,900
SEN - Additional Funding				1,250,000	
MIN - State Mine Inspector	1,215,200				1,215,200
NAV - Arizona Navigable Steam Adjudication Comm.	126,600				126,600
POS - Commission for Postsecondary Education	1,396,800				1,396,800
DPS - Department of Public Safety	93,374,800				121,397,900
DPS - Moving Program From Weights and Measures			136,200		
DPS - Testing Sexual Assault Kits (One-time)				500,000	
DPS - Border Strike Task Force				6,778,800	
DPS - Border Strike Task Force Local Support				1,261,700	
DPS - Border Strike Task Force (One-time)				14,600,000	
DPS - 3% Salary Increase Sworn Officers + Highway Patrol Civilian				4,596,400	
DPS - Civil Air Patrol				150,000	
PSP - Public Safety Personnel Retirement System	6,000,000				6,000,000

	FY 2016 GF 4/26 ALT 1/		FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	FY 2017 GF 4/26 ALT
RAD - Radiation Regulatory Agency	1,595,000				1,565,000
RAD - NEMF Decrease			(30,000)		
REA - State Real Estate Department	2,985,200				3,004,000
REA - Fire, Building & Life Safety Consolidation				18,800	
REV - Department of Revenue	30,338,600				32,338,600
REV - Military Withholding Refunds (One-time)				2,000,000	
SFB - School Facilities Board	216,878,100				205,021,600
SFB - New School Construction			(1,075,000)		
SFB - Lease-Purchase Changes			(128,500)		
SFB - Access Our Best Public Schools Fund Deposit			(2,400,000)	(21,500,000)	
SFB - Credit Enhancement Transaction Costs (One-time)				500,000	
SFB - Building Renewal Grants (One-time FY 16/ FY 17)				15,000,000	
SFB - Refinancing Agreement			(2,253,000)		
SOS - Secretary of State	24,306,500				15,006,500
SOS - Remove One-Time Special Election Funding			(9,300,000)		
TAX - State Board of Tax Appeals	266,400				266,400
TOU - Office of Tourism	7,110,400				7,110,400
DOT - Department of Transportation	50,400				50,400
TRE - State Treasurer	1,205,100				1,205,100
UNI - Universities					
UNI - Arizona Board of Regents	21,928,400				21,928,400
UNI - ASU - Tempe/DPC	239,189,400				253,528,800
UNI - Refinance Adjustment			716,100		
UNI - Additional Resources (Baseline Adjustment)			3,745,500	(122,200)	
UNI - Additional Resources (Budget - One-time)				7,000,000	
UNI - School of Civic and Economic Thought and Leadership				3,000,000	
UNI - ASU - East Campus	22,162,700				22,491,400
UNI - Additional Resources (Baseline)			298,000	30,700	
UNI - ASU - West Campus	28,754,100				29,176,300
UNI - Additional Resources (Baseline)			367,500	54,700	

	FY 2016 GF 4/26 ALT 1/		FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	FY 2017 GF 4/26 ALT
UNI - Northern Arizona University	100,917,600				105,206,000
UNI - Refinance Adjustment			(1,246,400)		
UNI - Additional Resources (Baseline)			1,433,200	101,600	
UNI - Additional Resources (Budget - One-time)				4,000,000	
UNI - UA - Main Campus	179,499,400				195,939,500
UNI - Refinance Adjustment			4,384,800		
UNI - Additional Resources (Baseline)			2,314,300	(259,000)	
UNI - Additional Resources (Budget - One-time)				8,000,000	
UNI - Center for the Philosophy of Freedom				2,000,000	
UNI - UA - Health Sciences Center	68,393,500				68,629,200
UNI - Additional Resources (Baseline)			41,500	194,200	
VSC - Department of Veterans' Services	6,077,800				6,077,800
WIFA - Water Infrastructure Finance Authority	0				500,000
WIFA - Small Water Systems Fund Deposit (One-time)				500,000	
WAT - Department of Water Resources	12,803,100				13,053,100
WAT - Water Protection Fund Deposit (One-time)				250,000	
WEI - Department of Weights & Measures	1,399,000				0
WEI - Agency Consolidation (To Dept. of Agriculture)			(1,262,800)		
WEI - Agency Consolidation (To Dept. of Public Safety)			(136,200)		
OTH - Other					
OTH - FY 16 Supplemental/Ex-Appropriation	71,737,600		(29,409,300)		0
OTH - Debt Service Payments	84,114,600		2,800		84,117,400
OTH - Civic Center Debt Service	20,449,000				20,449,000
OTH - AFIS Charges	0			461,600	461,600
OTH - FY 2017 HITF Rate Reduction	0		(7,800,000)	(247,400)	(8,047,400)
OTH - Unallocated HITF Rate Reduction	(600)		600		0
OTH - Unallocated AFIS Cost Charges	17,400		(17,400)		0
OTH - Rio Nuevo Distribution	10,000,000				10,000,000
OTH - Transportation Funding (One-time)	0			96,000,000	96,000,000
OTH - Universities Eliminate Deferral (One-time)	200,000,000				0
OTH - DCS Eliminate Deferral (One-time)	11,000,000				0
OTH - DES Eliminate Deferral (One-time)	21,000,000				0
OTH - Administrative Adjustments	85,000,000		(15,000,000)		70,000,000
OTH - Revertments	(110,000,000)			(682,500)	(110,682,500)
TOTAL - OPERATING SPENDING CHANGES	9,509,159,200		136,097,600	188,773,000	9,559,701,500

	FY 2016 GF 4/26 ALT <u>1/</u>		FY 17 Baseline <u>2/</u> Above FY 16	FY 17 Chng to FY 17 Baseline	FY 2017 GF 4/26 ALT
CAPITAL SPENDING					
ADOA Building Renewal	5,000,000		(5,000,000)	10,000,000	10,000,000
Veterans Home - Flagstaff	0			10,000,000	10,000,000
Navajo Nation Highway Construction	1,200,000		(1,200,000)		0
TOTAL - CAPITAL SPENDING	6,200,000		(6,200,000)	20,000,000	20,000,000
TOTAL - ALL SPENDING	9,515,359,200		129,897,600	208,773,000	9,579,701,500
REVENUE CHANGES					
Ongoing Revenue					
REV - Ongoing Revenue	9,164,014,200		232,912,900		9,396,927,100
REV - Tax Package	0			(26,000,000)	(26,000,000)
One-Time Revenue					
REV - Beginning Balance	312,276,000		187,049,500	(274,328,300)	224,997,200
REV - Enacted FY 2016 Tax Amnesty	47,048,500		(47,048,500)		0
REV - Enacted FY 2016 Fund Transfers	212,941,700		(212,941,700)		0
REV - ADOA - Supplemental FY 2016 Health Insurance Trust Fund	4,076,000		(4,076,000)		0
REV - ADOA - Enacted FY 2017 Health Insurance Trust Fund	0		100,000,000	(50,000,000)	50,000,000
REV - ADOA - Automation Operations Fund	0			461,600	461,600
TOTAL - REVENUE CHANGES <u>3/</u>	9,740,356,400		255,896,200	(349,866,700)	9,646,385,900
ENDING BALANCE	224,997,200		125,998,600	(558,639,700)	66,684,400

1/ Represents original FY 2016 appropriations adjusted for revisions in Community Colleges, Arizona Department of Secretary of State.

2/ Represents FY 2017 Baseline cost above FY 2016 Current estimate.

3/ Represents all revenue changes, including fund transfers.

DETAILED LIST OF OTHER FUND CHANGES BY AGENCY

	4/26 ALT FY 2016 OF <u>1</u> /		FY 17 Baseline <u>2</u> / Above FY 16	FY 17 Chng to FY 17 Baseline	4/26 ALT FY 2017 OF
OPERATING SPENDING CHANGES					
SBA - State Board of Accountancy	1,939,100				1,939,100
ACU - Acupuncture Board of Examiners	159,100				178,200
ACU - Remove One-Time Rulemaking Funding			(3,000)	0	
ACU - Annual Leave Payout for Retiring Executive Director				13,200	
ACU - Board Member Training				5,900	
ACU - Rulemaking				3,000	
DOA - Arizona Department of Administration	183,628,300				188,264,400
DOA - State Surplus Materials Fund Revenue Adjustment			550,000		
DOA - State Boards' Office and CSB Consolidation				540,700	
DOA - State Boards' Office and CSB Support to Additional Agencies				50,000	
DOA - AFIS Maintenance and Upgrade Charges				1,809,900	
DOA - Adjust Insurance Claims Related Expenditures				1,010,500	
DOA - Analog Communication Services Maintenance (One-Time)				100,000	
DOA - Capitol Mall Repair and Expansion (One-Time)				75,000	
DOA - State Information Security and Privacy Office (Fund in APF)				In APF	
DOA - Government Transformation Office Funding (One-time)				500,000	
APF - Automation Projects Fund/ADOA	24,794,400				47,774,700
APF - ADE Automation			(5,400,000)	5,700,000	
APF - Remove ADOA Accounting Automation			(2,383,000)		
APF - ADOA ASET Funding			(7,975,000)	12,098,400	
APF - Remove One-Time DEQ Automation			(5,000,000)		
APF - DES IT Security Projects			(936,400)	1,294,700	
APF - DCS Automation			5,000,000	(418,400)	
APF - ADC Automation			8,000,000		
APF - DOR Automation - Enterprise Tax System Assessment				1,000,000	
APF - DOA Procurement				12,000,000	
OA H - Office of Administrative Hearings	12,300				0
OA H - Remove Healthcare Group Fund Monies			(12,300)	0	
AGR - Department of Agriculture	0				1,439,800
AGR - Weights and Measures Transfer			1,439,800	0	
AXS - AHCCCS	143,447,500				215,009,900
AXS - Acute Care Caseload/Inflation			28,715,400	4,950,600	
AXS - Behavioral Health Services Transfer			37,017,200	798,800	
AXS - Other Adjustments			80,400		
BAT - Board of Athletic Training	118,900				118,900

	4/26 ALT FY 2016 OF 1/		FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	4/26 ALT FY 2017 OF
ATT - Attorney General	43,854,000				43,954,600
ATT - Internet Crimes Against Children Enforcement			900,000		
ATT - Post Conviction Relief Funding Shift				(799,400)	
ATA - Automobile Theft Authority	5,297,500				5,297,500
BAR - Board of Barbers	335,400				370,300
BAR - Online Licensing Software (IT Footnote)				34,900	
BHE - Board of Behavioral Health Examiners	1,760,500				1,760,500
DCS - Department of Child Safety	160,667,600				178,139,900
DCS - General Fund Offset				13,500,600	
DCS - TANF Swap (w/ DES)				3,971,700	
BCE - State Board of Chiropractic Examiners	451,400				451,400
ROC - Registrar of Contractors	12,187,500				12,187,500
COR - Corporation Commission	26,364,100				26,441,100
COR - Baseline Increased Risk Management Funding				77,000	
ADC - Department of Corrections	46,876,200				49,876,200
ADC - Radio Replacement				2,800,000	
ADC - Northern Region Community Corrections Center				200,000	
COS - Board of Cosmetology	1,807,700				1,807,700
JUS - Arizona Criminal Justice Commission	5,956,200				6,447,800
JUS - Crime Victim Compensation and Assistance Fund				125,800	
JUS - Funding for Statistical Analysis Center				365,800	
SDB - AZ State Schools for the Deaf and the Blind	11,561,400				11,707,300
SDB - Base Level Increase (Prop 123)			554,100		
SDB - Enrollment Decrease			(408,200)		
HEA - Comm for the Deaf & the Hard of Hearing	4,312,800				4,312,800
DEN - Board of Dental Examiners	1,215,500				1,215,500
DES - Department of Economic Security	306,981,800				292,551,500
DES - Long Term Care System Fund Adjustment			(4,697,300)		
DES - DERS RSA Vocational Rehabilitation				450,000	
DES - Domestic Violence Fund Increase				280,000	
DES - TANF Swap (w/ DCS)				(13,763,000)	
DES - DD Room and Board Shortfall (One-time)				600,000	

	4/26 ALT FY 2016 OF 1/		FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	4/26 ALT FY 2017 OF
DES - APS Caseload Growth (One-time)				2,000,000	
DES - Area Agencies on Aging/Adult Services				700,000	
BOE - State Board of Education	379,800				379,800
ADE - Arizona Department of Education	229,058,100				232,625,000
ADE - Professional Development			2,700,000		
ADE - Land Trust Distribution			363,700		
ADE - Language Pilot Technical Change			(246,800)		
ADE - Tribal College Dual Enrollment			160,000	90,000	
ADE - Code Writers Pilot				500,000	
DEQ - Department of Environmental Quality	69,273,300				76,398,300
DEQ - WQARF Program Funding Shift				4,176,400	
DEQ - WQARF Funding Increase (One-time)				2,948,600	
COL - Arizona Exposition and State Fair Board	11,616,100				11,616,100
DFI - Dept of Financial Institutions	2,279,100				2,274,900
DFI - Board of Appraisal Consolidation Savings				(4,200)	
EMB - Board of Funeral Directors and Embalmers	352,200				376,200
EMB - Data System Update and On-Line Renewals (IT Footnote)				24,000	
FIS - Arizona Game and Fish Department	41,845,400				42,325,200
FIS - Remove One-Time Equipment Funding			(936,200)		
FIS - Curtailing the Spread of Aquatic Invasive Species (One-Time)				375,000	
FIS - Watercraft Law Enforcement Resources (One-Time)				246,000	
FIS - Wildlife Ranger Salary Increase				795,000	
GAM - Department of Gaming	16,367,000				16,367,000
DHS - Department of Health Services	88,098,200				52,711,100
DHS - Behavioral Health Services Transfer			(37,017,200)		
DHS - Newborn Screening Proram Contract Increase				400,000	
DHS - Arizona State Hospital Equipment (One-Time)				230,100	
DHS - Alzheimer's Research (One-time)				1,000,000	
HOM - Board of Homeopathic & Integrated Medicine Examiners	102,800				102,800
DOH - Department of Housing	318,500				318,500
IND - Industrial Commission	19,940,300				19,940,300
SPA - Judiciary - Supreme Court	28,952,200				28,952,200
SUP - Judiciary - Superior Court	12,066,600				12,066,600

	4/26 ALT FY 2016 OF <u>1</u> /		FY 17 Baseline <u>2</u> / Above FY 16	FY 17 Chng to FY 17 Baseline	4/26 ALT FY 2017 OF
DJC - Department of Juvenile Corrections	16,132,100				15,392,100
DJC - Admission/Population Changes (County Savings)				(740,000)	
LAN - State Land Department	4,525,400				4,797,400
LAN - Risk Management Premium				52,000	
LAN - Streambed Navigability Litigation				220,000	
Legislature					
LEG - Legislative Council	0				250,000
LEG - Hearing Loop Installation (One-time)				250,000	
LIQ - Department of Liquor Licenses & Control	3,355,300				3,017,600
LIQ - Remove One-Time Automation Funding			(400,000)		
LIQ - PSPRS Increase				62,300	
LOT - Arizona State Lottery Commission	108,373,000				113,473,500
LOT - Sales Adjustment			5,100,500		
MAS - Board of Massage Therapy	455,800				469,700
MAS - Remove One-Time On-Line Licensing Funding			(15,000)		
MAS - Attorney General Representation				13,900	
MAS - On-Line Renewal Application (IT Footnote)				15,000	
MED - Arizona Medical Board	6,426,000				6,426,000
MIN - State Mine Inspector	112,800				112,800
NAT - Naturopathic Physicians Medical Board	179,700				183,700
NAT - Technology Update (IT Footnote)				4,000	
NAV - Navigable Stream Adjudication Commission	200,000				200,000
NUR - State Board of Nursing	4,802,600				4,802,600
NCI - Nursing Care Inst. Administrators Board	422,100				446,100
NCI - On-Line Application and License Renewal (IT Footnote)				24,000	
OCC - Board of Occupational Therapy Examiners	172,000				172,000
DIS - State Board of Dispensing Opticians	136,800				139,800
DIS - Travel				3,000	
OPT - State Board of Optometry	230,200				211,400
OPT - Board Member Training				5,000	
OPT - Remove One-Time Database Upgrade Funding			(23,800)		

	4/26 ALT FY 2016 OF 1/		FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	4/26 ALT FY 2017 OF
OST - Arizona Board of Osteopathic Examiners	803,700				941,700
OST - Expedited Licensure Process				32,900	
OST - Database and Licensing System Expenses (IT Footnote)				25,100	
OST - Replacement of IT Equipment (One-Time/IT Footnote)				33,000	
OST - Formal Hearing Expenses				47,000	
APC - Arizona Parents Comm. On Drug Education and Prevention	0				300,000
APC - Middle/High School Prevention Programs (One-time)				300,000	
SPB - Arizona State Parks Board	12,854,800				13,004,800
SPB - Arizona Trail (One-time)				150,000	
PER - Personnel Board	375,700				375,700
PES - Office of Pest Management	1,699,500				1,699,500
PHA - Arizona State Board of Pharmacy	2,020,500				2,140,500
PHA - Software Upgrade for Licensing and Inspections (IT Footnote)				100,000	
PHA - Leave Payout Funding (One-Time)				20,000	
PHY - Board of Physical Therapy Examiners	480,400				487,000
PHY - Remove One-Time Funding			(71,400)		
PHY - Attorney General Representation				35,000	
PHY - Laptop Replacement (IT Footnote)				10,000	
PHY - Online Licensing Software (IT Footnote)				33,000	
PIO - Arizona Pioneers' Home	6,204,900				6,204,900
POD - State Board of Podiatry Examiners	148,200				148,200
POS - Commission for Postsecondary Education	1,534,800				1,534,800
PRI - Board for Private Postsecondary Education	996,300				396,300
PRI - Eliminate One-Time Transfer			(600,000)		
PSY - State Board of Psychologist Examiners	448,500				476,500
PSY - Remove One-Time Funding			(12,000)	4,000	
PSY - Attorney General Services				20,000	
PSY - Treatment and Rehabilitation				16,000	
DPS - Department of Public Safety	164,164,700				172,039,900
DPS - \$2.3 M Patrol Shift to CJEF Funds				Yes	
DPS - PSPRS Employer Rate Increase				1,528,500	
DPS - Border Strike Task Force (One-time)				4,000,000	
DPS - Virtual Law Enforcement Training (One-time - Auto Theft Fund)				2,100,000	
DPS - 3% Salary Increase Sworn Officers + Highway Patrol Civilian				246,700	

	4/26 ALT FY 2016 OF 1/		FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	4/26 ALT FY 2017 OF
RAD - Radiation Regulatory Agency	851,200				851,200
RUC - Residential Utility Consumer Office	1,335,000				1,335,000
RES - Board of Respiratory Care Examiners	300,100				300,100
RET - Arizona State Retirement System	27,981,600				27,565,000
RET - Remove One-Time Automation Funding			(200,000)		
RET - Remove One-Time IT Security Funding			(216,600)		
REV - Department of Revenue	47,484,400				46,253,700
REV - Remove One-Time TPT IT Changes			(1,230,700)		
REV - Enterprise Tax System Assessment				APF	
SFB - School Facilities Board	23,900,000				0
SFB - Access Our Best Public Schools Fund			(2,400,000)	(21,500,000)	
SFB - Reallocate \$23.9 M to School Credit Enhancement Program	Yes				
SOS - Secretary of State	3,683,500				3,683,500
SBO - State Boards' Office	215,800				0
SBO - State Boards' Office and CSB Consolidation (IT Footnote)				(215,800)	
TEC - State Board of Technical Registration	2,122,600				2,122,600
TEC - E-Licensing and Case Management System					
DOT - Department of Transportation	367,364,400				375,196,400
DOT - Vehicle for Hire Program Shift			233,500		
DOT - Highway Maintenance Workload				1,710,500	
DOT - Statewide Drainage Structures				4,300,000	
DOT - Phoenix Area Freeway Lighting				1,500,000	
DOT - Rail Transit State Safety Oversight Grant Match (Air Quality)				88,000	
TRE - State Treasurer	5,044,000				5,031,900
TRE - Remove One-Time Border Security Funding			(12,100)		
UNI - Universities					
UNI - ASU - Tempe/DPC	551,220,900				551,220,900
UNI - ASU - East Campus	37,722,900				37,722,900
UNI - ASU - West Campus	45,841,400				45,841,400
UNI - Northern Arizona University	145,286,600				145,286,600
UNI - UA - Main Campus	361,149,600				361,149,600

	4/26 ALT FY 2016 OF 1/		FY 17 Baseline 2/ Above FY 16	FY 17 Chng to FY 17 Baseline	4/26 ALT FY 2017 OF
UNI - UA - Health Sciences Center	44,053,800				44,053,800
VSC - Department of Veterans' Services	31,889,500				32,167,500
VSC - State Home for Veterans' Contract Increase				278,000	
VME - Veterinary Medical Examining Board	545,200				655,100
VME - Expert Witness Fees				8,000	
VME - On-Line Licensing Software & Database Revisions (IT Footnote)				68,300	
VME - Position Reclassifications				33,600	
WAT - Department of Water Resources	2,356,300				2,118,900
WAT - Eliminate One-Time Water Banking Funding			(237,400)		
WEI - Department of Weights & Measures	1,769,200				0
WEI - Agency Consolidation (To Dept. of Agriculture)			(1,439,800)		
WEI - Agency Consolidation (To Dept. of Transportation)			(329,400)		
OTH - Other					
OTH - FY 16 Supplemental/Ex-Appropriation	69,302,700		(30,909,300)		0
OTH - AFIS Cost Charges (Agency Allocations)	4,484,100		(4,484,100)	521,600	521,600
OTH - Unallocated HITF Rate Reduction	(2,952,200)		2,952,200		0
OTH - FY 2017 HITF Rate Reduction	0		(8,561,500)		(8,561,500)
TOTAL - OPERATING SPENDING CHANGES	\$3,614,587,200		(\$22,391,700)	58,259,200	\$3,612,061,300
CAPITAL SPENDING CHANGES					
Building Renewal					
Arizona Department of Administration	9,000,000			10,000,000	19,000,000
ADC Building Renewal	5,464,300				5,464,300
Game & Fish Department	530,000				530,000
Juvenile Corrections	0			1,100,000	1,100,000
Arizona Lottery Commission	103,600		14,500		118,100
Arizona Department of Transportation	3,396,800			835,500	4,232,300
New Projects					
ADOT Statewide Highway Construction	30,452,000		19,640,000		50,092,000
ADOT Controlled Access	88,663,000		5,719,000		94,382,000
ADOT Debt Service	115,356,000		10,785,000		126,141,000
ADOT Airport Planning	21,791,800		(2,711,900)		19,079,900
ADOT De-Icer Storage	2,280,000		(2,280,000)		0
ADOT Vehicle Wash Systems	2,910,000		(2,910,000)	5,530,000	5,530,000
Game and Fish Radio Towers	0			306,000	306,000
Game and Fish Boat Structures	0			874,900	874,900
Game and Fish Capital Projects	0			3,867,000	3,867,000
Arizona Exposition and State Fair	1,000,000		(1,000,000)		0
State Parks Board	1,500,000		(1,500,000)	1,500,000	1,500,000

	4/26 ALT FY 2016 OF <u>1/</u>		FY 17 Baseline <u>2/</u> Above FY 16	FY 17 Chng to FY 17 Baseline	4/26 ALT FY 2017 OF
TOTAL - CAPITAL SPENDING CHANGES	\$282,447,500		\$25,756,600	24,013,400	\$332,217,500
TOTAL - OPERATING & CAPITAL SPENDING	\$3,897,034,700		\$3,364,900	82,272,600	\$3,944,278,800
FUND TRANSFERS					
APF/DOA - Automation Projects Fund/ Arizona Department of Administration					
APF/DOA - Automation Operations from ADOA	5,700,000		(4,200,000)	5,920,600	7,420,600
APF/DOA - State Web Portal from ADOA	3,775,000		(3,775,000)	5,650,000	5,650,000
APF/DOA - IT Fund from DOA	0		0	527,800	527,800
APF/DOA - Statewide Transfers for ADOA Procurement	0			9,000,000	9,000,000
APF/DOA - ELAS Fund from ADE	1,600,000				1,600,000
APF/DOA - Emissions Inspection Fund from DEQ	5,000,000		(5,000,000)		0
APF/DOA - ACI Fund from ADC	0		1,000,000		1,000,000
APF/DOA - Inmate Store Proceeds from ADC	0		1,000,000		1,000,000
APF/DOA - Penitentiary Land Earnings Fund from ADC	0		1,000,000		1,000,000
APF/DOA - Charitable, Penal & Reformatory Land Fund from ADC	0		1,000,000		1,000,000
APF/DOA - Special Services Fund from ADC	0		4,000,000		4,000,000
APF/DOA - Special Admin Fund from DES	936,400		(936,400)	1,294,700	1,294,700
APF/DOA - Liability Setoff Program Revolving Fund from DOR	0			1,000,000	1,000,000
ADC - Radio Replacement - Corrections Fund from Inmate Store Proceeds	0			1,000,000	1,000,000
ADC - Radio Replacement - Corrections Fund from DOC Revolving Fund	0			500,000	500,000
ADC - Radio Replacement - Corrections Fund from Penitentiary Land	0			400,000	400,000
ADC - Radio Replacement - Corrections Fund from Special Services Fund	0			400,000	400,000
ADC - Radio Replacement - Corrections Fund from Char., Penal & Ref. Fund	0			500,000	500,000
GAM - Racing Regulation Fund from Racing Admin Fund	0			23,700	23,700
Other Transfers					0
ADOT - Motor Vehicle to SETIF	710,000		(710,000)	1,100,000	1,100,000
TOTAL - FUND TRANSFERS	\$17,721,400		(\$6,621,400)	27,316,800	\$38,416,800

1/ Represents original FY 2016 appropriations adjusted for revisions in Attorney General, Arizona Department of Education, Lottery Commission, and the Universities.

2/ Represents FY 2017 Baseline cost above FY 2016 Current estimate.

FY 2016 SUPPLEMENTALS

	JLBC Change to '16	4/26 ALT Change to '16
General Fund		
Child Safety, Department of - Additional Services and Staffing		\$32,264,600
Child Safety, Department of - Cover Litigation Costs		Non GF
Child Safety, Department of - Backlog Privatization		2,700,000
Corrections, State Department of - Health Contract	\$5,200,000	5,200,000
Economic Security, Department of - Developmental Disabilities Formula		6,752,300
Emergency and Military Affairs, Department of - State Match		746,700
Forester, State - Risk Management Premium		146,700
Health Services, Department of - Caseload	21,412,000	Non GF
School Facilities Board - Refinancing Savings	(1,278,700)	(1,278,700)
School Facilities Board - Building Renewal Grants		15,000,000
Secretary of State - FY 16 Presidential Preference Election		6,130,000
Universities - Health Insurance	4,076,000	4,076,000
General Fund - Subtotal Excluding Deferral Elimination	\$29,409,300	\$71,737,600
Arizona State University - Tempe/DPC - Eliminate Payment Deferral		74,760,400
Arizona State University - East Campus - Eliminate Payment Deferral		5,750,200
Arizona State University - West Campus - Eliminate Payment Deferral		10,064,800
Northern Arizona University - Eliminate Payment Deferral		30,494,800
University of Arizona - Main Campus - Eliminate Payment Deferral		62,153,100
University of Arizona - Health Sciences Center - Eliminate Payment Deferral		16,776,700
General Fund - Universities Eliminate Payment Deferral	\$0	\$200,000,000
Child Safety, Department of - Eliminate Payment Deferral		11,000,000
Economic Security, Department of - Eliminate Payment Deferral		21,000,000
General Fund - Total	\$29,409,300	\$303,737,600

FY 2016 SUPPLEMENTALS

	JLBC Change to '16	4/26 ALT Change to '16
Other Funds		
Administration, Arizona Department of - Federal Reimbursement for FY 15 and FY 16		\$9,781,700
Administrative Hearings, Office of - Healthcare Group Fund Elimination		(12,300)
AHCCCS - Prescription Drug Rebate/Other	\$26,249,300	26,249,300
Attorney General - Department of Law - Internet Crimes Against Children (Enacted)	1,800,000	1,800,000
Child Safety, Department of - TANF		17,323,600
Child Safety, Department of - Litigation Expenses - Risk Management Revolving Fund		2,867,600
Economic Security, Department of - Cash Benefits Line - TANF		(9,905,000)
Education, Department of - Professional Development Revolving Fund and the Tribal College Dual Enrollment Program Fund	2,860,000	2,860,000
Health Services, Department of - Caseload - Tobacco Tax/Prescription Drug Rebate		18,059,800
Veterans' Services, Department of - State Home for Veterans' Contract increase		278,000
Other Funds - Total	\$30,909,300	\$69,302,700
Expenditure Authority		
AHCCCS - Caseload	\$535,959,400	\$539,311,600
Child Safety, Department of - Child Safety Expenditure Authority		21,418,500
Economic Security, Department of - Caseload	14,893,200	14,893,200
Health Services, Department of - Caseload	112,373,300	112,373,300
Expenditure Authority - Total	\$663,225,900	\$687,996,600

FY 2017 BUDGET RECONCILIATION BILL PROVISIONS

The following provisions would be grouped by subject into Budget Reconciliation Bills (BRBs). New provisions are noted with an asterisk (*).

Bonus Depreciation - SB 1528/HB 2697

	<u>Section</u>
1. * As permanent law, increase the first-year bonus depreciation allowance that individual income taxpayers may deduct for purchases of qualified new property, from 10% of the federal allowance in tax year (TY) 2015 to 55% in TY 2016 and 100% in TY 2017 and later years. Federal law permits taxpayers a first-year bonus depreciation deduction on their federal income taxes equal to 50% of an investment.	1

Budget Procedures - SB 1529/HB 2698

	<u>Section</u>
Statewide	
2. As session law, notwithstanding A.R.S. § 35-111 to permit the Governor to submit an annual budget for FY 2018.	8
3. As session law, notwithstanding A.R.S. § 35-113 to permit the head of each department to submit an annual budget for FY 2018.	8
4. As session law, notwithstanding A.R.S. § 35-121 to permit annual appropriations for all agencies for FY 2019. (Laws 2015, Chapter 11 permitted annual appropriations for all agencies through FY 2018.)	8
5. As session law, continue to set the FY 2017 Capital Outlay Stabilization Fund (COSF) rental rate charged by the Arizona Department of Administration (ADOA) at \$13.08/square foot for rentable office space and \$4.74/square foot for rentable storage space.	6
6. As session law, continue to require unrestricted Federal Funds to be deposited in the General Fund for the payment of essential government services.	5
7. * As permanent law, require agencies with information technology projects above \$5,000,000 to submit quarterly third-party reports to JLBC.	3
Arizona Department of Administration	
8. * As permanent law, require the department to report to the JLBC Staff by November 1 annually any exemptions granted under A.R.S. § 35-191A for orders for goods and/or services made in one fiscal year and received beyond August 30 of the following year.	1
9. * As session law, require ADOA to report to JLBC within 30 days of the sale of the state property located at Doubletree Road regarding the terms and final sale price.	7
Legislative Council	
10. *As permanent law, the Council may pay legal fees jointly incurred by the House and Senate on the authorization of the Speaker and President.	2
Arizona State Lottery Commission	
11. * As session law, require that \$27,227,600 in Lottery ticket sales commissions earned during the second half of FY 2015 be paid from the State Lottery Fund's FY 2015 ending balance.	4

Revenues

- | | | |
|-----|--|---|
| 12. | As session law, continue to notwithstanding the requirements for any deposit to or any withdrawals from the Budget Stabilization Fund through FY 2019. | 9 |
|-----|--|---|

Agency Consolidation - SB 1530/HB 2699**Arizona Department of Administration**

- | | | |
|-----|--|-----------------------|
| | | <u>Section</u> |
| 13. | * As permanent law, merge the State Boards' Office with the Department of Administration by combining the Central Services Bureau and the State Boards' Office funding in the appropriated portion of the Special Services Revolving Fund. | 37 |

Department of Fire, Building and Life Safety

- | | | |
|-----|---|--|
| 14. | * As permanent law, eliminate the department and transfer its functions as follows: Office of the State Fire Marshal to the State Forester; the Office of Manufactured Housing to the Department of Housing; and the Homeowners Association dispute process to the Department of Real Estate. | 1,2,4,
9-36,
38-96,
98,99,
101-104,
107 |
|-----|---|--|

Arizona Geological Survey

- | | | |
|-----|---|--------------------|
| 15. | * As permanent law, transfer the statutory responsibilities of the Geological Survey to the University of Arizona, except transfer the Oil and Gas Commission (as described in A.R.S. § 27-515) to the Department of Environmental Quality. | 5-8,98,
100,106 |
|-----|---|--------------------|

Industrial Commission of Arizona

- | | | |
|-----|---|-------|
| 16. | * As permanent law, transfer the OSHA Review Board, along with its statutory authority and appropriation, to the Industrial Commission. | 3,105 |
|-----|---|-------|

Credit Enhancement Program - SB 1531/HB 2700**School Facilities Board**

- | | | |
|-----|---|-----------------------|
| | | <u>Section</u> |
| 17. | * As permanent law, create the Arizona Public School Credit Enhancement Program. The program is established to assist achievement district schools in obtaining financing by guaranteeing the payment of principal and interest. Establishes definitions of achievement district school, including traditional and charter schools with an "A" letter grade and verifiable enrollment demand. | 2 |
| 18. | * As permanent law, create the Credit Enhancement Eligibility Board to determine the allocation of monies. Board consists of the Governor, the Treasurer and the ADOA Director. | 2,6,7 |
| 19. | * As permanent law, creates the Arizona Public School Credit Enhancement Fund and allows it to be used to make payments of principal and interest on guaranteed financing of achievement district schools. | 2 |
| 20. | * As session law, transfer \$23,900,000 from the Access Our Best Public Schools Fund to the Arizona Public School Credit Enhancement Fund in FY 2017 and repeal the Access Our Best Public Schools Fund effective September 1, 2017. | 1,9 |
| 21. | * As permanent law, allows the Credit Enhancement Board to use \$80,000,000 of program funding obligations from the Treasurer's operating fund balance. | 2,3,4 |

Criminal Justice - SB 1532/HB 2701

Attorney General - Department of Law

22. * As permanent law, eliminate JLBC review of funding sources that agencies have selected to pay their Attorney General Legal Services charges.

Section

6

State Department of Corrections

23. As session law, continue to require the department to report actual FY 2016, estimated FY 2017, and requested FY 2018 expenditures as delineated in the prior year when the department submits its FY 2018 budget request pursuant to A.R.S. § 35-113. 15
24. * As session law, permit the department to transfer and use monies from the Special Services Fund for the replacement of the Adult Inmate Management System. 14
25. * As permanent law, establish the Department of Corrections as the administrator of the Corrections Fund. 8
26. * As permanent law, expand eligibility of the transition program to include DUI convictions. Also specifies the behavior standards inmates need to meet to be considered a candidate for the program. 3,4
27. * As session law, if the male inmate state daily population exceeds the April 2016 level by 1,000 prisoners, ADC is authorized to add 1,000 male medium beds, subject to Joint Committee on Capital Review approval. With the awarding of any contract from this RFP, counties would have the first right of refusal for no more than 250 beds if they are able to meet the needs of the RFP and they offer a per diem at the same rate or less than other non-county bidders. Authority to issue the 1,000 bed RFP expires at the end of November 2016. As session law, amend Laws 2015, Chapter 17 to eliminate the option for the state legislature to authorize the remaining 1,000 beds of the RFP issued in May 2015. 12,13,27
28. * As session law, allow the ADOA with the participation of the ADC to enter into a financing agreement in FY 2017 for an existing prison capital lease. The financing agreement should generate a combined total of savings of at least \$25 million dollars. Before entering the agreement, ADC and ADOA will submit the proposed terms to the JCCR for review and shall report the total cost savings and the allocate of such savings to the JCCR. 25
29. * As permanent law, would allow the Arizona Department of Corrections (ADC) to order certain prisoners as a condition of supervision to apply to the Arizona Health Care Cost Containment System (AHCCCS) for health insurance coverage and requires AHCCCS and ADC to have an agreement to reinstate coverage for those prisoners that previously had AHCCCS coverage and are serving a sentence of less than 12 months upon release. Would permit ADC to coordinate with Regional Behavioral Health Authorities and AHCCCS, especially for those in need of mental health assistance. 7

Arizona Criminal Justice Commission

30. * As permanent law, convert the Drug Enforcement Account within the Criminal Justice Enhancement Fund into its own separate fund. 2,9,12
31. * As permanent law, clarify references to the Resource Center Fund to match existing language in A.R.S. § 41-2402. 1,5,9

Department of Health Services

32. * As session law, establish a study committee to examine long-term treatment and supervision for dangerous and non-restorable defendants. The committee would include 2 members of the Legislature, as well as other officials from state and local government, and would be staffed by the Legislature. On or before December 15, 2016, the committee would submit a report of its findings and recommendations to the Governor, Speaker of the House, and the President of the Senate. 26

Judiciary

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| 33. | As session law, continue to suspend county non-supplanting requirements associated with funding for probation services, criminal case processing, and alternative dispute resolution programs and require the Supreme Court to report on reductions in county funding as a result of the elimination of the non-supplanting provisions. | 19 |
| 34. | * As session law, extend the lapsing date for a \$250,000 General Fund appropriation to the Maricopa County Superior Court for the delivery of testing and treatment services from June 30, 2016 to June 30, 2017. | 11,27 |

Department of Juvenile Corrections

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| 35. | As session law, continue to state that it is the intent of the Legislature that each county pay an assessed amount determined by the county's proportional share by population of \$11,260,000 (down from \$12,000,000 in FY 2016). | 22 |
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Department of Public Safety

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| 36. | As session law, continue to require the Department of Public Safety (DPS) to receive JLBC review of the expenditure plan for the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) Border Security and Law Enforcement Subaccount FY 2017 appropriation prior to its expenditure. | 17 |
| 37. | As session law, continue to notwithstanding the statutory spending cap of \$10,000,000 for HURF. | 16 |
| 38. | As session law, continue to allow use of the State Aid to Indigent Defense Fund for DPS operating expenses. | 20 |
| 39. | * As session law, permit use of Automobile Theft Authority Fund for virtual training of law enforcement officers and Border Strike Force. | 21 |
| 40. | * As session law, allows DPS to utilize monies in the Concealed Weapons Permit Fund for Border Strike Task Force expenses. | 23 |
| 41. | * As session law, allows DPS to utilize monies in the Drug and Gang Prevention Resource Center Fund for Border Strike Task Force expenses. | 24 |
| 42. | *As session law, allows DPS to utilize \$137,700 from the FY 2017 GIITEM Subaccount appropriation for costs related to an increase in the PSPRS employer contribution rate | 18 |

Environment - SB 1533/HB 2702**Corporation Commission**

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| 43. | * As permanent law, amend Laws 2016, Chapter 56 to allow persons with a distributed generation system, such as a solar panel, to connect to their utility's power grid using their utility effective interconnection requirements. Laws 2016, Chapter 56 previously required users of distributed generation systems to connect to their utility's power grid using standards established by the Corporation Commission. | <u>Section</u>
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Department of Environmental Quality

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| 44. | As session law, continue to allow the department to utilize up to \$6,531,000 from the Underground Storage Tank (UST) Fund in FY 2017 for department administrative expenses. | 6 |
| 45. | * As session law, continue to suspend the requirement to appropriate \$15,000,000 from the state General Fund to the Water Quality Assurance Revolving Fund. In prior years, the General Fund appropriation was reduced to \$7,000,000. In FY 2017, reduce the General Fund appropriation to \$2,823,600 and appropriate \$4,250,000 from the Vehicle Emissions Inspection Fund and \$2,875,000 from the Air Quality Fund for a total of \$9,948,600. | 8 |
| 46. | As session law, continue to allow \$1,800,000 of the department's Emission Inspection Fund monies to be spent on the Safe Drinking Water Program. | 9 |
| 47. | * Revise 2015 Underground Storage Tank statutory changes to continue to allow the UST Fund to retain its interest earnings rather than deposit them in the General Fund. | 2 |

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| 48. | * As session law, reduce vehicle emissions inspection fees by \$3 in Area A, which includes Maricopa County and portions of Pinal and Yavapai Counties. | 10 |
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State Land Department

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| 49. | * Repeal provisions in the FY 2016 Environment Budget Reconciliation Bill to establish a new Trust Land Administration Fund associated with the November 2016 Ballot measure. | 3 |
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Arizona Navigable Stream Adjudication Commission

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| 50. | As session law, continue to allow use of Water Banking Fund for the commission's unpaid legal obligations. | 7 |
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Arizona State Parks Board

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| 51. | As session law, continue to allow the use of \$692,100 from the Off-Highway Vehicle Recreation Fund for agency operating costs. | 5 |
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Department of Water Resources

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| 52. | As session law, continue to allow the department's Water Protection Fund Commission to spend up to \$336,000 on administrative functions out of their unobligated balances in FY 2017. | 4 |
| 53. | As session law, continue to allow the department non-municipality special fee authority, including an intent clause that limits additional revenue up to \$100,200, and exempt department from rulemaking for this purpose. | 11 |

Government - SB 1534/HB 2703

Department of Emergency and Military Affairs

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| 54. | * As permanent law, create a revolving contingency fund to enable the Department of Emergency and Military Affairs to incur expenses and receive reimbursement for assistance provided to Emergency Management Assistance Compact members. The creation of the fund would be retroactive to May 1, 2016. Also deposits \$300,000 of the Governor's Emergency Fund authorization to the Emergency Management Assistance Compact Revolving Fund in FY 2016. | <u>Section</u>
2,9,10 |
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Arizona Medical Board

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| 55. | * As session law, authorize the agency to continue spending credentials verification monies in FY 2016, but prohibit the board from spending such monies after FY 2016. | 8,10 |
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Department of Public Safety

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| 56. | * As permanent law, create a Department of Public Safety Subaccount and an Arizona Department of Transportation Subaccount within the Safety Enforcement and Transportation Infrastructure Fund and allocate 45% of revenues to the Department of Public Safety Subaccount and 55% of revenues to the Arizona Department of Transportation Subaccount. | 3 |
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Retirement Systems

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| 57. | * As permanent law, require Arizona State Retirement System and Public Safety Personnel Retirement System annual reports to include information on aggregate private equity fees. | 6,7 |
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Department of Transportation

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| 58. | * As permanent law, require that MAG and PAG pay for any risk management costs associated with ADOT's oversight of Valley Metro light rail and the Tucson Sun Link to comply with federal law, which requires that State Oversight entities be legally and financially independent of transit providers. | 1,4,5 |
| 59. | * As permanent law, create a Department of Public Safety Subaccount and an Arizona Department of Transportation Subaccount within the Safety Enforcement and Transportation Infrastructure Fund and allocate 45% of revenues to the Department of Public Safety Subaccount and 55% of revenues to the Arizona Department of Transportation Subaccount. | 3 |

Health - SB 1535/HB 2704**AHCCCS****Section***Rates and Services*

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| 60. | As session law, continue the FY 2010 risk contingency rate reduction for all managed care organizations. Continue to impose a reduction on funding for all managed care organizations administrative funding levels. | 21 |
| 61. | * As permanent law, provide dental coverage capped at \$1,000 per member per year for elderly and physically disabled adults enrolled in the Arizona Long Term Care System (ALTCS). | 10 |
| 62. | * As permanent law, require AHCCCS and AHCCCS contractors to reimburse providers participating in the federal 340B drug discount program at the lesser of the 340B discount price or the actual acquisition cost for drug claims submitted on behalf of AHCCCS enrollees. | 9,30 |

Counties

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| 63. | As session law, set FY 2017 county Arizona Long Term Care System (ALTCS) contributions at \$249,980,000. | 12 |
| 64. | As session law, set the County Acute Care contribution at \$47,041,500. This amount includes an inflation indexing of the Maricopa County contribution as required by Laws 2005, Chapter 328. | 17 |
| 65. | As session law, continue to require the collection of \$2,646,200 in the Disproportionate Uncompensated Care pool contributions from counties other than Maricopa. Exclude these contributions from county expenditure limitations. | 18 |
| 66. | As session law, continue to exclude Proposition 204 administration costs from county expenditure limitations. | 20 |
| 67. | As session law, continue to require AHCCCS to transfer any excess monies back to the counties by December 31, 2017 if the counties' proportion of state match exceeds the proportion allowed in order to comply with the Federal Affordable Care Act. | 16 |
| 68. | * As permanent law, transfer the Intergovernmental Agreement (IGA) for County Behavioral Health Services Fund to AHCCCS following the behavioral health services transfer. | 9 |

Hospitals

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| 69. | As session law, establish FY 2017 disproportionate share (DSH) distributions to the Maricopa Special Healthcare District (MIHS), the Arizona State Hospital, private qualifying disproportionate share hospitals, and Yuma Regional Medical Center. Require AHCCCS to give priority to rural hospitals in Pool 5 distribution, and allow MIHS to be eligible for Pool 5 allocations. As session law, permit local jurisdictions to provide additional local match for Pool 5 distributions. | 15 |
| 70. | As session law, continue to require AHCCCS to report to JLBC and OSPB on any supplemental hospital payments paid to Critical Access Hospitals (CAH) in FY 2017. | 22 |

Erroneous Payments

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| 71. | As session law, continue to permit AHCCCS to recover erroneous Medicare payments made due to errors by the federal Social Security Administration. Subject to legislative appropriation, any credits received may be used to pay for the AHCCCS program in the year they are received. | 23 |
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Available Funding

- 72. As session law, continue to state that it is the intent of the Legislature that AHCCCS implement a program within its available appropriation. 31
- 73. * As permanent law, allow use of Tobacco Tax Medically Needy Account for the Traditional population and for behavioral health services. 3
- 74. * As permanent law, establish a Delivery System Reform Incentive Payment (DSRIP) Fund within AHCCCS. DSRIP is a federal program to make incentive payments to providers to improve the delivery of health care. Would require that AHCCCS submit a DSRIP expenditure plan for review by the JLBC before any monies are deposited in the DSRIP Fund. 9

Transfer of Substance Abuse Services Fund from DHS to AHCCCS

- 75. * As permanent law, require AHCCCS to establish services for alcohol and drug abuse pursuant to A.R.S. § 36-2001. 4
- 76. * As permanent law, grant AHCCCS all powers and duties associated with administering substance abuse services, including the authority to accept grants, matching funds, or direct payments from public or private agencies for substance abuse programs pursuant to A.R.S. § 36-2003. 6
- 77. * As permanent law, designate AHCCCS as the single state agency responsible for developing and implementing the state plan to address alcohol and drug abuse pursuant to A.R.S. § 36-2004. 7
- 78. * As permanent law, provide AHCCCS with the authority to administer the Substance Abuse Services Fund pursuant to A.R.S. § 36-2005. 8
- 79. * As permanent law, repeal the Interagency Coordinating Council established in A.R.S. § 36-2002. The Council assisted in implementation of drug abuse control policies in this state, but expired in July 1973. 5

Reports

- 80. As session law, continue to require AHCCCS to submit a report by December 1, 2016 on utilization of emergency departments for non-emergency use by AHCCCS enrollees. 27
- 81. As session law, continue to require AHCCCS and DHS to submit a joint report by January 1, 2017 on hospital costs and charges. 28
- 82. As session law, continue to require AHCCCS to report by December 31, 2016 on efforts to increase third-party liability payments for behavioral health services. This report was previously required to be prepared by DHS. 11
- 83. * As session law, require AHCCCS to report on or before January 2, 2017 on the availability of inpatient psychiatric treatment for children and adolescents enrolled in Arizona's Regional Behavioral Health Authorities. 29
- 84. * As session law, require AHCCCS to submit a report for review by JLBC on or before December 1, 2016 that includes an analysis of the state fiscal implications of recent federal policy guidance that expanded the scope of Medicaid services furnished to Native Americans that may qualify for a 100% federal matching assistance percentage. 26

Department of Economic Security

- 85. * As permanent law, provide dental coverage capped at \$1,000 per member per year for adults with a developmental disability enrolled in the Arizona Long Term Care System (ALTCS). 10

Department of Health Services

- 86. As session law, continue to require all counties to pay 31% of their total Sexually Violent Person (SVP) costs throughout the entire commitment process, including pre-adjudication proceedings, in FY 2017. 13
- 87. As session law, continue to require all cities and counties to pay 100% of cost of Restoration to Competency treatment in FY 2017. Allow counties to use any source of county revenue to make the transfers. 14
- 88. As session law, continue to notwithstanding A.R.S. § 36-773 to permit DHS to use Tobacco Tax and Health Care Fund - Health Research Account for Alzheimer's disease research. 25
- 89. * As session law, retain the Interagency Service Agreement (ISA) for Behavioral Health Services Fund in DHS until the fund is repealed on September 1, 2020. Prohibit DHS from spending the monies for any purpose except to pay for behavioral health services claims incurred June 30, 2016 or earlier. Allow any unexpended or unencumbered monies in the fund to revert to the General Fund on July 1 of FY 2018, FY 2019, and FY 2020 after any adjustments are approved by AHCCCS and reviewed by JLBC. 1,2,19,32

90.	* As session law, notwithstanding A.R.S. §36-108.01C and A.R.S. § 5-572C to appropriate monies from the Health Services Lottery Monies Fund for purposes specified in the FY 2017 General Appropriation Act, including the reduction of a projected shortfall in the ASH Fund, and additional funding for Area Agencies on Aging in the Department of Economic Security budget.	24
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Higher Education - SB 1537/HB 2706

Arizona Community Colleges		<u>Section</u>
91.	As session law, continue to suspend Science, Technology, Engineering and Mathematics (STEM) and Workforce Programs funding formula for FY 2017 and specify the funding in the General Appropriation Act.	5
Universities		
92.	As session law, continue to suspend the statutory requirement that the state provide a 2:1 ratio of state funding to student fees deposited into Arizona Financial Aid Trust (AFAT).	4
93.	* As permanent law, separate existing appropriated and non-appropriated tuition funds into 2 subaccounts, effective in FY 2019. Appropriated tuition no longer deposited with Treasurer.	1,3
94.	* As permanent law, modify statute to reflect long-term debt service savings from refinance of research infrastructure projects and specify appropriations through the end of debt service in FY 2031.	2

Human Services - SB 1536/HB2705

Department of Child Safety		<u>Section</u>
95.	As session law, continue to require the department to report with the Early Childhood Development and Health Board on collaborative efforts on child welfare issues.	8
96.	As session law, require the Auditor General to evaluate the department's performance in central administration (2/17), staff retention and utilization (9/17), including the use of supportive practices and Arizona Families First program (3/18).	7
97.	* As session law, allow the Department of Child Safety (DCS) to shift the use of Lottery monies for the Healthy Families program to other programs.	6
98.	* As session law, void language in original FY 2016 budget that proportionally reduced General Fund dollars to the Department of Economic Security and DCS for every federal Temporary Assistance for Needy Families dollar received in excess of their FY 2016 appropriation	5
99.	* As session law, require DCS to review foster home licensing rules and solicit input from foster families. Require the department to report its findings to legislative leadership by December 31, 2016. Makes the provision retroactive to July 1, 2016.	9
Department of Economic Security		
100.	As session law, continue to require recipients of Temporary Assistance for Needy Families (TANF) Cash Benefits to pass a drug test in order to be eligible for benefits if the Department of Economic Security (DES) has reasonable cause to believe that the recipient uses illegal drugs.	4
101.	As session law, continue to permit DES to reduce income eligibility levels for all child care programs. Require DES to report to the JLBC within 15 days of any change in levels.	3
102.	* As session law, void language in original FY 2016 budget that proportionally reduced General Fund dollars to DES and DCS for every federal Temporary Assistance for Needy Families dollar received in excess of their FY 2016 appropriation	5

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| 103. | * As permanent law, require DES to report annually by November 1 a plan and estimated budget to the JLBC for review for the closure of the Arizona Training Program at Coolidge and associated group homes. Require DES to notify and meet all clients and guardians impacted by the transition and provide a list of alternative residential and in-home service options. | 1 |
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Legislative Council

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| 104. | * As session law, delays the repeal of an Ombudsman-Citizens Aide Office (OCAO) provision from June 2016 to June 2018. The provision continues to allow OCAO, upon investigation, to refer any complaint concerning the Department of Child Safety directly to a Superior Court judge. | 2 |
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K-12 Education - SB 1538/HB 2707

Arizona Community Colleges

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| 105. | * As permanent law, increase the maximum amount of unclaimed lottery prize monies that may be deposited annually into the Tribal College Dual Enrollment Program Fund to \$250,000 versus \$160,000 under current law. | <u>Section</u>
1 |
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Department of Education

JTEDs

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| 106. | As session law, continue to fund state aid for Joint Technical Education Districts (JTEDs) with more than 2,000 Average Daily Membership (ADM) students at 95.5% of the formula requirement and reduce budget limits accordingly. | 38 |
| 107. | * As permanent law, delete language allowing students enrolled in JTED programs on January 1, 2016 to continue to participate, as this language is being replaced with corrected session law language (see section 38). Retroactive to July 1, 2015. | 9 |
| 108. | * As session law, clarify for FY 2016 that any student under age 21, including a high school graduate, who is enrolled in a JTED program in FY 2016 may continue to participate in the program and remain in its ADM count through the end of FY 2016. | 39 |
| 109. | * As session law, for FY 2017 allow any student under age 21, including a high school graduate, who is enrolled in a JTED program on February 1, 2016 to continue to participate in the program and remain in its ADM count until the student completes the program or through the end of FY 2017, whichever occurs first. | 39 |
| 110. | * As permanent law, require JTEDs to report information on student retention and program completion. | 10 |

Formula Requirements

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| 111. | As permanent law, increase the base level (A.R.S. § 15-901B2), the transportation funding levels (A.R.S. § 15-945A5) and the charter school "Additional Assistance" amounts (A.R.S. § 15-185B4) by 0.99% for standard inflation. | 5,14,19,44 |
| 112. | * As permanent law, re-establish the original FY 2016 base level of \$3,426.74 (rather than \$3,600.00) for FY 2016 and \$3,460.66 (rather than \$3,635.64) for FY 2017 if Proposition 123 does not pass. | 13 |

Funding Formula Changes

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| 113. | As session law, continue to reduce school districts' Additional Assistance state aid by \$352,442,700 and reduce budget limits accordingly. As session law, continue to reduce District Additional Assistance funding to school districts that do not receive state aid in FY 2017 by the amount that would be reduced if they did qualify for state aid for FY 2017 and reduce budget limits accordingly. | 35 |
| 114. | As session law, continue to reduce Charter Additional Assistance by \$18,656,000. | 37 |
| 115. | * As permanent law, reduce small school weights for multi-site charter schools by 53% in FY 2017 and 73% in FY 2018 and annually thereafter, but allow no small school weight funding starting in FY 2018 for multi-site charters less than 3 miles apart unless their combined K-8 counts are less than 600 (for purposes of the K-8 weight) or their combined high school count is less than 600 (for purposes of the high school weight), in which case they would receive a 73% rather than 100% reduction. | 5 |
| 116. | As session law, continue to cap total District Additional Assistance reductions for school districts with fewer than 1,100 students at \$5,000,000. | 36 |

District-Sponsored Charter Schools

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| 117. | As permanent law, repeal statutes authorizing district-sponsored charter schools starting in FY 2017. | 2,3,4,5,
6,22,27,28,
29,43 |
| 118. | As permanent law, repeal A.R.S. § 15-185A7, which otherwise would require school districts that convert district-sponsored charter schools back to non-charter status for FY 2017 to repay to the state all cumulative charter additional assistance funding that it received for the charter school for all years that the charter school was in operation. The repeal would take effect prior to the start of FY 2017. | 5,43 |
| 119. | * As session law, amend Laws 2014, Chapter 16, Section 5 in order to clarify that eliminating district-sponsored charter schools does not make affected districts eligible for District Additional Assistance growth funding pursuant to A.R.S. § 15-961B3, which was the original policy intent. | 30,43 |
| 120. | As session law, also amend the language in Laws 2014, Chapter 16, Section 5 to make that section of law apply to FY 2017 in order to address school districts that still operate district-sponsored charters in FY 2016. | 30 |
| 121. | As session law, repeal, for after FY 2016, language in Laws 2014, Chapter 16, Section 6 that caps ADM in district-sponsored charters schools at 120% of their FY 2013-district sponsored charter school ADM, since authority for district-sponsored charter schools will be repealed after FY 2016. | 31,43 |

Current Year Funding

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| 122. | * As permanent law, make “current year funding” apply only to the calculation of Base Support Level (BSL) funding. Continue to use prior year student counts for small school budget exemptions, budget overrides, the K-12 rollover, Classroom Site Fund, Instructional Improvement Fund, lump sum reductions, high school tuition calculations and District Additional Assistance funding. | 13,14,17,
18 |
| 123. | * As permanent law, repeal the BSL “sudden growth” statute, since all districts will receive current Base Support Level funding. | 9,11,12,15,
16,20,21,
23,24,25,
26 |

Other

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| 124. | * As session law, establish a pilot program in the Department of Education that would provide bonus funding in FY 2018 to school districts and charter schools for each test passed by one of their students in FY 2017 that qualifies the student for college credit. As session law, require at least 50% of the funding to be used for salary bonuses for associated teachers with the remainder for teacher professional development, student instructional support or materials. As session law, appropriate \$5,000,000 to the Department of Education for the program for FY 2017, with the monies being non-lapsing through FY 2018. | 42 |
| 125. | * As session law, establish a code writers initiative pilot program and appropriate \$500,000 in non-lapsing funding to it from the state Web Portal Fund. | 40 |
| 126. | As session law, continue to stipulate that \$100,000 of the \$3,646,400 School Safety Program appropriation for FY 2017 is to be used for a pilot program on school emergency readiness and establish requirements for the pilot program. | 34 |
| 127. | As session law, continue to require the department to report results of the pilot program by November 1 of the fiscal year. | 34 |
| 128. | * As session law, amend Laws 2014, Chapter 17, Section 19 to make monies appropriated for the Technology-Based Language Development and Literacy Intervention Pilot Program for FY 2015 non-lapsing through FY 2017 and FY 2016 monies non-lapsing through FY 2018. | 33 |
| 129. | * As permanent law, change the reporting dates for the Technology-Based Language Development and Literacy Intervention Pilot Program in A.R.S. § 15-217G to reflect the extended schedule. | 7 |
| 130. | * As session law, change the date for repealing statute pertaining to the Technology-Based Language Development and Literacy Intervention Pilot Program to reflect the extended schedule. | 32 |

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| 131. | * As session law, continue the provision in the FY 2016 budget stating that it is the intent of the Legislature and Governor that school districts increase the total percentage of classroom spending in the combined categories of instruction, student support and instructional support as defined by the Auditor General. | 35 |
| 132. | * As session law, authorize the Classroom Site Fund to receive monies appropriated from the state General Fund in FY 2017 and require the per pupil amount from the Classroom Site Fund to be \$343.50 for FY 2017 rather than the \$332 amount previously determined pursuant to A.R.S. §15-977G, paragraph 1. | 41 |

State Board of Education

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| 133. | * As permanent law, establish separate subaccounts for the Department of Education (ADE) and State Board of Education (SBE) within the TCF and deposit 85% of monthly TCF revenues into the ADE subaccount and 15% into the SBE subaccount. | 8 |
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School Facilities Board

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| 134. | * As permanent law, allow districts with more than 7,500 students to only exclude up to 10% of their space from the minimum square footage requirements if funded from local property taxes. Currently up to 25% of space can be excluded, if funded from local property taxes. | 27,43 |
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Land Trust Administration Referral Retraction - SCR 1025/HCR 2051

State Land Department

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| 135. | * As session law, retract November 2016 ballot measure to fund Land Department administrative expenses from Permanent Trust Fund. | <u>Section</u>
1 |
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Revenue - SB 1539/HB 2708

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| | | <u>Section</u> |
| Arizona Department of Agriculture | | |
| 136. | As session law, continue fee raising authority and an exemption relating to establishing fees for the Arizona Department of Agriculture in FY 2017. The bill continues an intent clause that limits additional revenues to \$357,000. | 11 |
| State Department of Corrections | | |
| 137. | * As permanent law, extend the allocation of luxury tax revenues to the Corrections Fund, retroactive to July 1, 2015. | 1,2,29 |
| Counties and Cities & Towns | | |
| 138. | * As session law, continue to allow counties with a population below 200,000 in the 2010 decennial census to use any source of county revenue to meet a county fiscal obligation for FY 2017, up to \$1,000,000 of county revenue for each county. No longer permit use of this provision by counties with a population greater than 200,000. Requires counties using this authority to report to the Director of JLBC on the intended amount and sources of funds by October 1, 2016. | 14 |
| 139. | * As session law, waive any penalties to La Paz County for exceeding county expenditure limitations in FY 2014, FY 2015, and FY 2016. The House bill includes additional clarifying language that only penalties associated with expenditures from operating the county's landfill are waived. | 16 |
| 140. | * As permanent law, require the board of supervisors to spend any unspent monies that remain in the Elderly Assistance Fund after December 31, 2015 and any subsequent appropriations to the Elderly Assistance Fund solely on the Elderly Assistance Program. | 4,29 |

Department of Financial Institutions

141. As session law, continue to allow the Department of Financial Institutions to use the Financial Services Fund for general operating expenditures of the department. 13
142. As session law, allow the Department of Financial Institutions to continue to spend up to a total of \$850,000 from the Receivership Fund to develop and implement a new licensing system through FY 2017. 6

Department of Gaming

143. * As session law, transfer the balance of \$23,700 in the Racing Administration Fund to the Racing Regulation Fund on or before October 1, 2016. 15

Department of Insurance

144. As session law, continue to suspend the requirement that fees collected by the department be between 95% and 110% of the department's appropriation. 7

Department of Liquor Licenses and Control

145. As session law, extend the permission for the agency to spend \$626,700 of its FY 2015 appropriation and \$400,000 of its FY 2016 appropriation for its licensing and imaging system upgrade through FY 2017. 12

Department of Public Safety

146. As session law, continue the previously-approved \$30,000,000 shift of Highway Patrol costs from HURF to the General Fund in FY 2018. 8
147. * As session law, deposit \$30,000,000 of General Fund monies to local HURF for a one-time distribution. 9

Radiation Regulatory Agency

148. As session law, continue fee raising authority and an exemption relating to establishing fees for the Radiation Regulatory Agency in FY 2017. The bill continues an intent clause that limits additional revenues to \$561,000. 10

Department of Revenue

149. * As permanent law, continue to require the department to report to the Directors of JLBC and the Governor's Office of Strategic Planning and Budgeting on the amount of individual income tax credits claimed for a given fiscal year within 3 months of the end of a fiscal year. Also adds corporate income tax credits to the reporting requirement. 5
150. As session law, continue legislative intent statement that local fees to fund DOR are not to exceed \$20,755,835 and are to be allocated between cities and towns, counties, the Maricopa Association of Governments and the Pima Association of Governments based on the prorated share of all revenues distributed to them (excluding Highway User Revenue Fund money). 18
151. * As session law, implement a tax amnesty program for unpaid individual income, corporate income, and transaction privilege tax liabilities that are not under audit by the Department of Revenue. This applies to annual taxpayers' tax years ending before January 1, 2014 and February 1, 2015 for all others. Taxpayers may choose to pay off tax liabilities at once or over three years. 17
152. * As session law, establish the Veterans' Income Tax Settlement Fund and appropriate \$2,000,000 of General Fund money to the fund in FY 2017. Permit Native American veterans to file claims with the Department of Revenue and Department of Veterans' Services by December 31, 2017 for settlement payments of any state individual income tax withheld from military pay received while they were domiciled on a reservation. Require the Department of Revenue to report on settlement payments to the Legislature on or before October 1 of 2017 through 2019. Any money remaining in the fund on June 30, 2019 will revert to the General Fund. 19-28

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| 153. | * As permanent law, amends the discount rate on the purchase of tobacco tax stamps from 96.0% of the face value of the stamps to 96.48%, grants an administrative allowance of 3.52 cents on tobacco tax stamps with a \$0 tax rate, and allows rebates on stamps sold on tribal lands to be equal to the full face value of the stamps. The House bill grants an administrative allowance of 3.52 cents for tobacco tax stamps sold on tribal lands with a tax rate greater than \$0 if the tax payment is not precollected, and specifies that rebates on precollected payments for tax stamps sold on tribal lands shall be equal to the full face value of the stamps. | 3 |
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General Appropriation Act Provisions - SB 1526/HB 2695

The Baseline would include the following provisions in the General Appropriation Act. These provisions would be in addition to the individual agency appropriations, but exclude supplemental appropriations, ex-appropriations and fund transfers.

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| Arizona Department of Administration | | <u>Section</u> |
| 154. | As session law, continue to provide ADOA the FY 2017 appropriation authority to spend certain Automation Projects Fund remaining balances as of June 30, 2016 for the same respective purposes specified in FY 2016 after a report to JLBC. | 126 |
| Department of Child Safety | | |
| 155. | * As session law, extend availability of the \$19.5 million DCS transition appropriation through the end of FY 2017. | 2 |
| 156. | * As session law, eliminate the \$11,000,000 payment deferral to providers in FY 2016. Appropriate \$11,000,000 in FY 2016 for these deferred payments. | 9,113 |
| Arizona Commerce Authority | | |
| 157. | As session law, in accordance with statute (A.R.S. § 43-409), allocate \$21,500,000 of General Fund withholding tax revenue to the Authority in FY 2017. | 129 |
| Counties and Cities & Towns | | |
| 158. | As session law, continue to appropriate \$550,000 to all counties with populations under 200,000 people according to the 2010 Census. As session law, continue to appropriate \$500,000 to Graham County. | 125 |
| 159. | * As session law, appropriate \$8,000,000 to all counties in an amount proportionate to their relative population in the 2010 census. | 125 |
| 160. | As session law, in accordance with statute (A.R.S. § 9-601), continue to appropriate \$20,449,000 from the General Fund for the Phoenix Convention Center. | 146 |
| 161. | As session law, continue to provide an estimate of \$10,000,000 for the amount of sales tax revenues that will be distributed to the Rio Nuevo Multipurpose Facility District-in accordance with statute (A.R.S. § 42-5031). | 147 |
| Department of Economic Security | | |
| 162. | * As session law, eliminate the \$21,000,000 payment deferral to providers in FY 2016 by appropriating \$21,000,000 in FY 2016 for these deferred payments. | 9,115 |
| Department of Education | | |
| 163. | As session law, continue to defer \$930,727,700 in Basic State Aid payments from FY 2017 to FY 2018. Appropriate \$930,727,700 in FY 2018 for these deferred payments. Continue to exempt school districts with less than 600 students from the K-12 rollover. Allow the Department of Education to make the rollover payment no later than July 12, 2017. | 153 |

164.	As session law, continue to require school districts to include in the FY 2017 revenue estimates that they use for computing their FY 2017 tax rates the rollover monies that they will receive for FY 2017 in July 2017.	153
Universities		
165.	* As session law, eliminate the \$200,000,000 universitywide payment deferral in FY 2016. Appropriate \$200,000,000 in FY 2016 for these deferred payments.	9,3-7
Debt Service		
166.	As session law, appropriate \$84,117,400 from the General Fund to the Arizona Department of Administration in FY 2017 for a debt service payment on the 2010 sale and leaseback of state buildings.	145
Revenues		
167.	As session law, continue to specify revenue and expenditure estimates for FY 2016, FY 2017, FY 2018, and FY 2019.	161
168.	As session law, continue to require the Executive Branch to provide JLBC preliminary estimates of FY 2016 ending balances by September 15, 2016. Require JLBC Staff to report to JLBC by October 15, 2016 as to whether FY 2017 revenues and ending balance are expected to change by more than \$50,000,000 from budgeted projections.	161
Statewide		
169.	* As session law, ex-appropriate \$(8,047,400) from the General Fund and \$(8,561,500) from Other Appropriated Funds in FY 2017 to annualize an employer health insurance contribution reduction implemented on January 1, 2016. The JLBC Staff shall determine and ADOA shall allocate these adjustments to individual agencies to reflect the reduced contribution amount. Require JLBC Staff to use the overall appropriated operating budget General Fund/tuition split for each University when allocating each university's specific statewide adjustments.	155
170.	As session law, continue to specify FY 2017 individual agency charges totaling \$1,809,500 for general agency counsel provided by the Attorney General.	156
171.	As session law, continue to state legislative intent that all budget units receiving appropriations continue to report actual, estimated and requested expenditures in a format similar to prior years.	157
172.	As session law, continue to require ADOA to compile a report on Full-Time Equivalent (FTE) Position usage in FY 2016 in all agencies and provide it to the JLBC Director by October 1, 2016. The Universities are exempt from the report but are required to report separately.	158
173.	As session law, continue to require each agency to submit a report to the JLBC Director by October 1, 2016 on the number of filled appropriated and non-appropriated FTE Positions by fund source as of September 1, 2016.	159
174.	As session law, continue to require ADOA to report monthly to the JLBC Director on agency transfers of spending authority from one expenditure class to another or between programs.	160
General		
175.	As session law, continue to define "*" as designating an appropriation exempt from lapsing.	162
176.	As session law, continue to define "expenditure authority" as continuously appropriated monies included in individual line items of appropriations.	163
177.	As session law, continue to define "review by the Joint Legislative Budget Committee" as a review by a vote of a majority of a quorum of the members.	164

MAJOR FOOTNOTE CHANGES

The Plan would include the following major additions, deletions or modifications of footnotes. This list does not include footnotes pertaining to one-time reports or appropriations or footnote changes conforming to enacted policy.

Arizona Department of Administration

- 178. Adds footnote requiring the department to report to JLBC on information technology and automation project oversight positions in the department by October 1, 2016.
- 179. Adds footnote requiring certain agencies with one-time IT appropriations in FY 2017 to complete a Project Investment Justification (PIJ) approved by ADOA's Arizona Strategic Enterprise Technology (ASET) Office (Barbers, Funeral Board, Massage Therapy, Naturopathic Physicians, Nursing Care Administrators, Osteopathic Examiners, Pharmacy Board, Physical Therapy, and Veterinary Medical Examiners).
- 180. Adds footnote requiring the department to report to the JLBC by August 1, 2017 on any maintenance savings achieved by replacing vehicles with an average of 80,000 miles.

Arizona Department of Administration - Automation Projects Fund

- 181. Adds footnote extending permission to spend FY 2015 appropriations for the Department of Child Safety Children's Information Library and Data Source system project through the end of FY 2017.
- 182. Adds footnote extending permission to spend FY 2015 appropriations for the Department of Corrections' Adult Inmate Management System project through the end of FY 2017.
- 183. Adds footnote extending permission to spend FY 2015 appropriations for the Department of Environmental Quality's e-licensing project through the end of FY 2017.
- 184. Adds footnote for the \$800,000 appropriation from the APF regarding the third-party statewide comprehensive information technology audit. House further adds language specifying that the audit shall include an assessment of state software, hardware, data center, network, operations, data security, and the Information Technology Authorization Committee. The House also requires all current internal agency information technology projects to be placed on hold and all new projects delayed until the completion of the audit.
- 185. As session law, appropriates \$12,000,000 from the APF to replace the state's e-procurement system. Appropriate \$3,000,000 from the General Fund in FY 2017 for deposit into the APF. Appropriate \$9,000,000 from other fund sources in FY 2017 for deposit into the APF. The JLBC Staff shall determine and ADOA shall allocate the other fund adjustments to individual agencies to permit them to pay the transfer.
- 186. As session law, allows the department to use \$3,103,000 from the FY 2014 APF appropriation through FY 2017 for the replacement of the state's e-procurement system.

AHCCCS

- 187. Adds footnote requiring the agency to transfer \$1,200,000 to the Department of Health Services in FY 2017 for the costs of prescription medications for seriously mentally ill patients at the Arizona State Hospital.
- 188. Adds footnote requiring the agency to report changes in capitation rates for reimbursement of the Affordable Care Act health insurer fee. The agency was previously required to submit these changes for JLBC review.

Attorney General - Department of Law

- 189. Adds footnote requiring the agency to submit for review by JLBC an expenditure plan for its FY 2017 Internet Crimes Against Children appropriation by June 1, 2016.

Department of Child Safety

- 190. Adds footnote requiring that the amounts appropriated for any line item shall not be transferred to another line item unless such a transfer of monies is reviewed by the Joint Legislative Budget Committee.
- 191. Adds footnote requiring all expenditures for Attorney General legal services to be funded only from the Attorney General Legal Services line item.
- 192. Deletes footnote concerning backlog Request for Proposals.
- 193. Revise quarterly benchmark report to include: a) caseload standard, b) new backlog benchmarks (under 1,000 cases by June 2017), and c) out-of-home caseload (20% reduction between June 2016 and June 2018.) If report is not timely, require 2% operating budget reduction until report is submitted.
- 194. Adds footnote that make all case aide and backlog privatization funding (and 75% of overtime funding) contingent upon JLBC review of DCS' proposed contractor awards to address the backlog.
- 195. Adds footnote restoring FY 2015 monthly hiring report (now quarterly in FY 2016).
- 196. Adds footnote requiring the agency to submit for review by JLBC the number of hired administrative staff by June 1, 2016.
- 197. Adds footnote specifying the type of administrative staff to be hired and requiring the agency to submit for review by JLBC a hiring plan for the new administrative staff by September 30, 2016.
- 198. Adds footnote requiring DCS to submit a summary of an internal financial process audit to the JLBC by July 2016.
- 199. Adds a footnote detailing the components of child safety expenditure authority.

Arizona Commerce Authority

- 200. Adds footnote requiring the agency to submit for JLBC review a report on progress made in implementing recommendations in the 2015 Auditor General report.

Corporation Commission

- 201. Adds footnote requiring the Corporation Commission and WIFA to jointly report on the expenditures from the Small Water Systems Fund in FY 2017 by August 1, 2017.

Arizona Department of Corrections

- 202. Adds footnote that sets aside funding for the annualized cost of a 4% adjustment for the fourth year of inmate health care services contract.

Arizona Criminal Justice Commission

- 203. Adds footnote requiring the commission to report to JLBC by August 31, 2016 on noncompliance with Anti-Racketeering Revolving Fund statutory reporting requirements.

Department of Economic Security

- 204. Deletes FY 2016 footnote requiring any federal TANF block grant monies in excess of the original FY 2016 combined DCS and DES TANF appropriation to be reverted to the General Fund. This footnote was already deleted in the FY 2017 Baseline.
- 205. Deletes footnote concerning the proportional reduction of General Fund dollars to DES and DCS for every Federal TANF Block Grant dollar received in excess of their appropriation.
- 206. Adds footnote requiring DES to submit an expenditure plan to JLBC for review of any new Division of Developmental Disabilities salary adjustments not previously reviewed by JLBC.
- 207. Adds footnote requiring DES to report on the number of filled positions in the Division of Developmental Disabilities. Requires DES to submit an expenditure plan for a review of its staffing levels.

208. Adds footnote that the appropriated amount includes \$2,791,800 from the General Fund and \$6,260,600 in total expenditure authority for an across the board 1% full year rate adjustment for providers of services to the developmentally disabled population whose current rates are below 100% of the benchmark rate, in addition to any adjustment as part of the aggregate 2.5% capitation rate increase. The department shall report to the JLBC by August 1, 2016 on its distribution plan.

Arizona Department of Education

209. Adds footnote indicating that the amount appropriated for Basic State Aid from the Permanent State School Fund for FY 2017 shall be reduced by \$(172,444,700) if Proposition 123 is not approved by voters.
210. Adds footnote indicating that, if Proposition 123 is not approved by voters, \$74,394,000 of the FY 2017 Basic State appropriation shall be used as an Additional Inflation payment as authorized in the original FY 2016 General Appropriation Act.
211. Adds footnote indicating that the department's operating budget includes \$500,000 for technical assistance and state level administration of the K-3 Reading program established by A.R.S. § 15-211.
212. Deletes footnote concerning the intended use of monies appropriated to the K-3 Reading line item, as the Baseline would incorporate funding for that line item into other programs.
213. Adds footnote allowing ADE to use its FY 2017 appropriation for any FY 2016 Basic State Aid shortfall, subject to JLBC review.
214. Adds footnote indicating that the \$574,000 appropriated for former District-Sponsored Charter Schools (DSCS) for FY 2017 is one-time funding to provide additional Base Support Level (BSL) funding on a one-time basis for FY 2017 for school districts that operated DSCS in FY 2016. Requires ADE to allocate the monies on a pro rata basis to school districts that qualify for state aid in FY 2017 based on the number of Average Daily Membership pupils they had in DSCS in FY 2016 and increase their budget limits accordingly. Requires ADE to make corresponding BSL and budget limit increases for school districts that operated DSCS in FY 2016, but do not qualify for state aid in FY 2017.
215. Adds footnote indicating that the amount appropriated for Geographic Literacy is one-time, non-lapsing funding to be used to issue a grant to a statewide geographic alliance.

Arizona Game and Fish Department

216. Adds footnote that the appropriated amount includes \$795,000 for a full year \$8,700 pay adjustment for certain Game and Fish position classifications.

Arizona Judiciary

217. Adds footnote requiring monies in the Dependency Surge Funding line item to be passed through to county superior courts for dependency case processing, makes the appropriation non-lapsing for 2 years, and requires the Administrative Office of the Courts to report to JLBC on funding allocations.
218. Adds footnote indicating amount allocated to Adult Standard Probation line item for additional probation officers. Makes funding contingent upon passage of legislation to increase the number of Supreme Court justices from 5 to 7.
219. Adds footnote for Supreme, Court of Appeals, and Superior Court outlining the amounts allocated to the first year of a 2 year phase-in for a 3% pay raise. Makes funding contingent upon passage of legislation to increase the number of Supreme Court justices from 5 to 7.
220. Adds footnote clarifying the inclusion of \$500,000 General Fund in the Supreme Court operating lump sum appropriation for the establishment of 2 new Supreme Court Justice positions. Makes funding contingent upon passage of legislation to increase the number of Supreme Court justices from 5 to 7.

Arizona Parents Commission on Drug Education and Prevention

221. Adds footnote delineating the provisions of the school prevention education program. The program would be required to promote positive life choices by middle school and high school students, and would incorporate an educational prevention component focusing on substance abuse, mental health, violence, and other risky behaviors.

Department of Public Safety

- 222. Adds footnote requiring JLBC review of Border Strike Force expenditure plans.
- 223. Adds footnotes specifying funding available for local governments from Border Strike Force appropriation.
- 224. Adds footnote requiring DPS to submit an expenditure plan for monies in the Sexual Assault Kit Testing line item.
- 225. Adds footnote requiring DPS to procure virtual law enforcement training equipment through a competitive bid process.
- 226. Adds footnote indicating amounts allocated to a salary increase and requires DPS to report to JLBC by August 1, 2016 on its pay adjustment plan.

Arizona State Retirement System

- 227. Adds footnote extending permission to spend FY 2016 appropriations for IT security through the end of FY 2017.

Department of Revenue

- 228. Adds footnote requiring JLBC review of any transfers to or from the Income Tax Fraud Prevention line item.
- 229. Adds footnote requiring the department to report the results of private fraud prevention investigation services during FY 2016 to JLBC by November 1, 2016.

School Facilities Board

- 230. Deletes footnote requiring the agency to transfer \$1,000,000 from the Building Renewal Grants line item to the Emergency Deficiencies Correction Fund in FY 2015.
- 231. Adds footnote requiring SFB to report transfers of funds out of the Debt Service line item 30 days prior to implementation.

Secretary of State

- 232. Adds footnote requiring that the monies in the Election Services line item be used only to pay for the statewide election publicity pamphlet and as pass-through to county elections divisions to reimburse for the costs of elections.
- 233. As session law, appropriates supplemental funding to the Secretary of State for reimbursements to counties for the administration of the 2016 presidential preference election. Requires the Secretary of State to reimburse counties with an active voter registration of over 450,000 at a rate of \$2.50 per voter; 35,000 to 450,000 at a rate of \$3.00 per voter; and less than 35,000 at a rate of \$3.50 per voter; or the amount included in a cost estimate submitted to the Secretary of State before October 30, 2015, whichever is less. States that this appropriation does not set a precedent for any future Presidential Preference Election reimbursement levels.

Arizona Department of Transportation

- 234. Adds footnote requiring an annual third-party review of the Motor Vehicle Division (MVD) legacy automation system replacement project. Requires JLBC review of the February 1, 2017 report.
- 235. Adds footnote requiring the department to report by July 31, 2017 on the cost to link local governments, state agencies, and other users to the new Motor Vehicle Division automation system.
- 236. Adds footnote requiring ADOT to report by August 1, 2016 on the use of state's share of fees retained by the Service Arizona vendor.
- 237. Adds footnote requiring all expenditures for Attorney General legal services to be funded only from the Attorney General Legal Services line item.

Universities

- 238. Adds footnote requiring JLBC Staff to use the overall appropriated operating budget General Fund/tuition split for each University when allocating each university's specific statewide adjustments.
- 239. Adds footnotes for the new ASU School of Civic and Economic Thought and Leadership line and the existing UA Freedom Center line item. General Fund support is to not supplant private resources and the line items are not to be charged for indirect costs.